

**Challenge Electronics**

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Standard Operating Procedures**CE-0152.000****Conflict Minerals Policy Statement**

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To whom it may concern,

Challenge Electronics is committed to be a responsible member of the global community and is strongly opposed to human rights violations and abuses. In response to violence and human rights violation in mining certain materials within the eastern portion of the Democratic Republic of Congo (DRC) or adjoining countries otherwise denoted, "Conflict Region", The United States Securities and Exchange Commission (SEC) has implemented measures to oppose the injustices as dictated within the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010. Minerals produced within the region are noted to directly provide revenue to entities promoting said human rights violations and abuses. The rules dictate manufacturers who file specific reports with the SEC must disclose if their manufactured products contain "Conflict Minerals" "necessary to the functionality or production". The "Conflict Minerals" include columbite-tantalite (coltan), cassiterite, gold, wolframite and the derivatives tantalum, tin and tungsten.

Challenge Electronics supports efforts to eliminate all implementations of "Conflict Minerals" and put a stop to the injustices happening within the "Conflict Region". Any direct or indirect funding of parties conducting such atrocities are not condoned by Challenge Electronics. As such, Challenge Electronics maintains an in-depth policy and due diligence countermeasure to ensure no "Conflict Materials" are included.

Challenge Electronics expects all suppliers to establish a "Conflict Minerals" policy and due diligence countermeasures to ensure no "Conflict Minerals" are included in the manufacturing process. Suppliers which do not adhere to this requirement, Challenge Electronics is determined to promptly discontinue business relationships with said supplier.

Sincerely,

Joshua Klyman
Engineering Director
Challenge Electronics