

Conflict Minerals Policy Statement

Merit Sensor Systems, Inc. fully supports the position of the Electronic Industry Citizenship Coalition (EICC), the Global e-Sustainability Initiative (GeSI), the Electronic Components, Assemblies and Materials Association (ECA) and the Tantalum-Niobium International Study Center (TIC) in avoiding the use of conflict minerals which directly or indirectly finance or benefit armed groups in the Democratic Republic of Congo or adjoining countries, in line with full compliance to the EICC's Electronic Industry Code of Conduct.

The United States Securities and Exchange Commission (SEC) has adopted the final rules to implement the reporting and disclosure requirements related to "conflict minerals" as directed by the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (Section 1502). The requirements are for manufacturers who file certain reports with the SEC to disclose whether the products that they manufacture or contract to manufacture contain "conflict minerals" that are necessary to the functionality or production of these products. Although Merit Sensor Systems does not directly purchase such raw materials, our end customers are also in support of this legislation and are asking the entire supply chain to follow these requirements.

The definition of "conflict minerals" refers to gold, tin, tantalum, and tungsten, and in addition the derivatives of cassiterite, columbite-tantalite and wolframite regardless of where they are sourced, processed or sold. The United States Secretary of State may designate additional minerals in the future. Merit Sensor Systems supports these requirements to further humanitarian goal of ending the violent conflict in the Democratic Republic of Congo and surrounding countries that are funded in part by the trade and exploitation of these "conflict minerals".

OUR COMMITMENT

1. Support the aims and objectives of the United States Legislation on the supply of "conflict minerals".
2. Adopt the Electronic Industry Citizenship Coalition (EICC-GeSI) due diligence reporting process and obtain custody declarations from suppliers to ensure transparency and corporate social responsibility throughout its supply chain.
3. Ask our suppliers to undertake the same reasonable steps with their supply chain to assure that the specified metals are being sourced only from mines and smelters from outside the "conflict region" or mines and smelters which have received certification by an independent third party as "conflict free" if sourced within the "conflict region".
4. Merit Sensor Systems will immediately discontinue doing business with any supplier found to be purchasing materials which directly or indirectly finance or benefit armed groups in the Democratic Republic of Congo or adjoining countries.

Sincerely,

Rick Russell
President
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