

Conflict Minerals Policy

1. PURPOSE

Morgan Schaffer's Conflict Minerals Policy reflects our commitment to complying with Section 1502 of the Dodd Frank Wall Street Reform and Consumer Protection Act pertaining to Conflict Minerals.

2. SCOPE

a. Content:

On August 22, 2012, the U.S. Securities and Exchange Commission (SEC) published regulations implementing Section 1502 of the Dodd Frank Wall Street Reform and Consumer Protection Act governing Conflict Minerals. The Act requires companies to perform due diligence on the source and chain of custody of Conflict Minerals contained in their products.

b. Application:

The final rule applies to a company that uses minerals including tantalum, tin, gold or tungsten if:

- i. The company files reports with the SEC under the Exchange Act.
- ii. The minerals are "necessary to the functionality or production" of a product manufactured or contracted to be manufactured by the company.

The final rule requires a company to provide the disclosure on a new form to be filed with the SEC (Form SD).

As Morgan Schaffer does not file reports with the SEC, this rule does not apply. Morgan Schaffer is however, committed to support customers who need to comply.

3. DEFINITIONS

a. Conflict-affected mines and high-risk areas

Conflict-affected mines and high-risk areas are mines or areas identified by the presence of armed conflict, widespread violence or other risks of harm to people, including the eastern region of the Democratic Republic of the Congo (DRC).

b. Conflict minerals

Conflict minerals are columbite-tantalite (coltan), cassiterite, gold, wolframite, or their derivatives, including tin, tantalum, tungsten and gold.

4. DECLARATION

Morgan Schaffer recognizes that extracting, trading, handling and exporting minerals (such as tin, tantalum, tungsten, and gold) from conflict-affected and high-risk areas may lead to human rights or related abuses. As a good corporate citizen, Morgan Schaffer has the responsibility to respect human rights and not contribute to these conflicts.

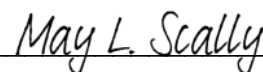
To achieve these goals, Morgan Schaffer shall:

- implement a due diligence process with Morgan Schaffer suppliers and manufacturers;
- communicate the requirement of responsible sourcing of minerals to suppliers;
- where risks are identified, work to improve the supply chain and, when necessary, suspend or discontinue engagement with suppliers that are sourcing from or linked to any party committing human rights abuses;
- provide information about its Conflict Minerals Due Diligence Program using the CFSI CMRT format and publish its Conflict Minerals Policy on its website;

5. SUPPLIER RESPONSIBILITIES

Morgan Schaffer suppliers who provide materials or components that contain tin, tantalum, tungsten, and/or gold that are used in Morgan Schaffer products shall:

- create a conflict minerals policy and provide it to Morgan Schaffer;
- source the 3TG from smelters whose due diligence practices have been validated by an independent third-party audit program;
- provide a completed CFSI CMRT;
- proactively advise Morgan Schaffer of any changes to the information in their CFSI CMRT.



May Scally
Chief Operating Officer

REFERENCE DOCUMENTS

- DODD-FRANK WALL STREET REFORM AND CONSUMER PROTECTION ACT, SECTION 1502*
- OECD DUE DILIGENCE GUIDANCE FOR RESPONSIBLE SUPPLY CHAINS OF MINERALS FROM CONFLICT-AFFECTED AND HIGH-RISK AREAS*
- CONFLICT-FREE SOURCING INITIATIVE (CFSI) CONFLICT-FREE SMELTER PROGRAM (CFSP) AND CONFLICT MINERALS REPORTING TEMPLATE (CMRT)*