

## Applied Control Electronics Dodd – Frank Act

We here at Applied Control Electronics are aware of and concerned that mining operations, specifically in the eastern region of the Democratic Republic of the Congo (and adjoining countries) have been determined to be funding “armed militias” directly responsible for wide spread human rights violations. As a result, in July of 2010 the Dodd-Frank Act was passed, requiring companies listed on the U.S. stock exchange to report annually to the Securities and Exchange Commission (SEC) a list of any products that were produced with minerals sourced from this area of concern as well as disclose any measures taken to eliminate these so-called “conflict minerals” (specifically: tantalum, tin, gold and tungsten) from their supply chain.

Though Applied Control Electronics is a privately held company, we are still doing our part. We take very seriously our responsibility to ensure that metals mined in the Democratic Republic of the Congo do not find their way into our supply chain process. As part of our vendor selection process, we have added language to our Vendor Approval Survey that provides notice to each ACE supplier of Company expectations regarding our collective social responsibility in this matter.

ACE has taken this action as we felt it imperative that each of our vendors maintain the supply chain integrity that our customers demand by ensuring ongoing compliance with the policy requirements stated within the relative legislation. Therefore, it is expected of all ACE vendors who incorporate metals in products supplied to our customers to trace and map their own supply chain to their smelters, seeking only to source materials from non-conflict regions.

Should we become aware of a vendor whose supply chain includes metals from a conflict region source, ACE will take appropriate measures to remedy the situation expediently, including reassessment of supplier relationships.