

Statement on: H.R. 4173 „Dodd-Frank Wall Street Reform and Consumer Protection Act“, Section 1502 „Conflict Minerals”

Dear Sir or Madam,

thank you for your request regarding the obligations resulting from US Public Law H.R. 4173 „Dodd-Frank Wall Street Reform and Consumer Protection Act”. Due to Section 1502 Dodd-Frank Act (Sec. 1502) companies that are subject to the reporting requirements under US law have to disclose annually whether Conflict Minerals which are necessary for the production or function of their products originate from the Democratic Republic of the Congo or neighbouring countries.

Our company monitors all developments related to the **disclosure and reporting requirements** for US-listed companies. This also applies to the implementation rules adopted under the Dodd-Frank Act in August 2012. You may rest assured that we pay very much attention to German, European and international developments concerning ethical, social and environmental standards.

As an unlisted company we do not fall under the scope of the Dodd-Frank Act **which generally does not stipulate a special format for supplier declarations.**

For the supply of the raw materials **qualified and trustworthy sources or distributors** are very important for us. We have known our suppliers for years and they are familiar with our quality requirements. According to the information available we currently assume that the material of the products supplied by us does not contain any of the defined Conflict Minerals like tin, tungsten, tantalum and gold in the meaning of the disclosure and reporting requirements under the Dodd-Frank Act. Once we have further information we will inform you immediately.

We would also like to inform you that possibly occurring traces of Conflict Minerals in the materials of the products supplied by us are purely coincidental. They **were not intentionally added or used to fulfill a particular function in our products.** In fact it is often an unavoidable background contamination. The possible contamination is often an undesirable side effect due to the high recycling rates of metals.

The Dodd-Frank Act explicitly excludes such cases from the disclosure and reporting requirements. The prerequisites under Sec. 1502. Conflict Minerals (b) (2)(B) Dodd-Frank Act are as follows:

conflict minerals are necessary to the functionality or production of a product manufactured by such person

As this is not the case regarding our products we are not subject to the disclosure and reporting requirements set up by the Dodd-Frank Act.

Finally, we point out that **on April 14, 2014 an US Court of Appeals expressed considerable doubts regarding the constitutionality of parts of the disclosure and reporting requirements** of the Dodd-Frank Act because the freedom of opinion is not respected.

Against this background it is currently unclear even for directly affected US companies how to deal with the obligations and to what extent there are obligations for US companies at all.

For any further questions do not hesitate to contact us.