



Conflict Minerals Policy

Conflict minerals are minerals that are mined in areas of armed conflict and human rights abuses in the eastern provinces of the Democratic Republic of the Congo and adjoining countries. Conflict metals are refined from the minerals columbite-tantalite (tantalum), cassiterite (tin), and wolframite (tungsten) and gold. The profits from the mining of these minerals are used to fund continued fighting in the Second Congo war. To counter the trade in conflict minerals, language was added to the Dodd-Frank Wall Street Reform and Consumer Protection Act to require companies that use “conflict minerals/metals” to determine and disclose their sources of tin, tungsten, tantalum, and gold, with the intent to discourage companies from using minerals/metals that are mined/smelted from conflict areas of the DRC and adjoining countries.

As part of the Dodd-Frank Wall Street Reform and Consumer Protection Act, the Securities and Exchange Commission requires all publicly traded companies to submit conflict mineral reports. Those companies that are not directly regulated by the SEC will also be impacted because conflict minerals traceability will be pushed down through the entire supply chain.

Two groups that are influencing the minerals/metals supply chain are the Electronic Industry Citizenship Coalition (EICC) and the Global e-Sustainability Initiative (GeSI). The EICC was established in 2004 to promote a common code of conduct for the electronic industry supply chain. The GeSI fosters collaborative and innovative approaches to social and environmental sustainability. In 2005 they formed an alliance to address common corporate responsibility supply chain issues in the global electronics sector. One area of cooperation is supporting efforts to ensure that information and communications technology (ICT) products do not contain conflict minerals. To facilitate this effort, EICC/GeSI created the Conflict-Free Smelter (CFS) program. Within this program is the compliant smelter list. This is a list of smelters that have been independently audited to verify that they do not purchase raw materials from sources that contribute to conflict in the DRC and adjoining areas. EICC/GeSI also created the Conflict Minerals Reporting Template tool. This tool is used to identify the smelters that process the metals used in the supply chain.

Radio Sound, Inc. has a program for responsible sourcing of conflict metals that are used in our products. This program includes communicating our expectations to our suppliers that they have a conflict free sourcing policy, provide conflict free metals, and monitor their supply chain. In addition, our suppliers are required to:

- Demonstrate due diligence in the procurement of conflict metals.
- Show Corrective action if conflict metals are traced to the conflict region of the DRC or adjoining countries.
- Use the Conflict Minerals Reporting Template.

We expect our suppliers to be persistent in their search to find the origin of the metals that are used in their products. We understand the challenge that is faced because of the complexity of the route that conflict minerals may take from the mine to the smelter to the metal wholesaler to our suppliers. Full traceability may not be a certainty. The goal is to prevent the use of conflict metals that originate from mines/smelters whose profits support armed groups and human rights abuses in the DRC and adjoining countries while supporting legitimate mining in this region.