

US Conflict Minerals Policy

In August 2012, the U.S. Congress established a direct connection between the mining and trading of tin, tungsten, tantalum and gold (“conflict minerals”) and human rights violations in the Democratic Republic of Congo and the neighboring regions. Allgaier-Group and all its affiliated companies (also see www.allgaier-group.com) have accepted responsibility for this important issue and committed themselves to paying attention to the origin of such products during the procurement process. This in particular concerns products that may potentially contain conflict minerals. Allgaier-Group makes continuous efforts to ensure the traceability of its products and to understand the processes involved in their production.

Further information can be found at the following link:
<https://www.sec.gov/news/press-release/2012-2012-163htm>

Allgaier-Group would also like to refer you to its Code of Conduct, which is binding for all Allgaier employees and must also be observed by the Group’s suppliers and supply chain partners.

Allgaier-Group has introduced a procedure for the identification and evaluation of certified conflict-free smelters (the Conflict Free Smelter Program). All suppliers and partners are required to source their minerals from conflict-free origins and, as far as possible, certified smelters. This also concerns any upstream suppliers of our suppliers. Allgaier-Group will provide support as required to establish a group-wide and sustainable awareness for this highly sensitive issue.

We expect our suppliers and partners to put policies and procedures aimed at assuring the conflict-free procurement of minerals in place in their own businesses, and to also require the same from their own suppliers. All suppliers and partners are urged to utilize the current industry initiatives aimed at improving the traceability of conflict minerals.

Allgaier-Group uses the “Conflict minerals reporting template” (CMRT) for this purpose:
<http://www.conflictreesourcing.org/conflict-minerals-reporting-template/>

If requested by Allgaier or a third party, this template must be completed and returned by suppliers and partners of Allgaier-Group.

Allgaier-Group reserves the right - over and above the stipulations in Clause 15.4 of the General Terms and Conditions of Purchasing of Allgaier-Group - to request information about the origin and supply chain of any concern conflict materials from its suppliers and partners at any time. The suppliers and partners will be required to make the necessary information available on short notice.

Suppliers and partners who infringe against the guidelines of Allgaier-Group set out above will be required to prepare a plan of action and implement the respective improvement measures within a reasonable timeframe. Allgaier-Group will monitor the implementation of these plans for action.

In the case of infringement against Clause 15.4 of the General Terms and Conditions of Purchase of Allgaier-Group, or against these guidelines, Allgaier-Group may be compelled to discontinue the business relationship with the supplier or partner and for this purpose terminate all supply and other contractual relationships.

Many companies the size of Allgaier-Group need time to fully understand the complexity and supply streams together with all the associated information. Allgaier-Group makes its best efforts to develop a sustainable response to the issue of conflict minerals in cooperation with its suppliers and partners and continues to further refine its approach to this particular issue.

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