

Novi, MI, USA April 25<sup>th</sup>, 2019

Dear Valued Customer,

Thank you for your inquiry regarding our declaration of conflict–free raw materials at Ultra Carbide, LLC. in conjunction with our two separate manufacturing facilities; Konrad Friedrichs GmbH & Co. KG and G-Elit Hardmaterials GmbH.

Ultra Carbide, LLC. is committed to the OECD guidelines as well as to the Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act. As a result, we neither purchase nor process any conflict materials whatsoever. We and our powder suppliers only use raw materials that are confirmed to come from conflict-free areas or are even certified to be from conflict-free areas, following strong ethical and social responsibility principles. Our declaration is based on information as of November/December 2011 provided directly to us and multiple written statements of our suppliers and other testimony are on record.

Some suppliers have taken further steps and even developed and implemented a certified Responsible Supply Chain Management System (RSCM) as an additional control system to ensure that they/we do not purchase ore from conflict regions. The implementation and effectiveness of this system was confirmed on March 1, 2010, by the certifying organization Bureau Veritas.

Furthermore, our supplier confirmed their Tantalum supply chain has been successfully audited by the Electronic Industry Citizenship Coalition (EICC) and Global e-Sustainability Initiative (GeSI) Conflict-Free Smelter Review Committee. As a result of this, they were awarded the status of "Conflict-Free Smelter." This audit was carried out at every location (see listed below) of our supplier of tantalum.

- USA
- Germany (x2)
- Japan
- Thailand

As soon as the United States Securities and Exchange Commission (SEC) announces their final regulations for the implementation of the Dodd-Frank Act and the EICC has defined respective auditing criteria, our suppliers will also complete an audit by the EICC/GeSI for our tungsten supply chain.

In addition, our Cobalt suppliers have also separately confirmed that both of our manufacturing plants in Berlin and Kulmbach, Germany only receive Cobalt powder grades that originate from their own respective production in Belgium and Canada. Please understand that for competition reasons, we can only disclose the names of our suppliers to independent third party auditors.

We have with due diligence, ensured that none of the materials we or our suppliers use are conflict materials and can therefore ne labeled as DRS Conflict-Free as defined in Sec. 1502.(b)"(1)"(D) of the Dodd Frank Act.

Kind Regards, - Junelot

President Ultra Carbide, LLC.

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