

Dear Madam / Sir,

Thank you very much for your interest in our products and your enquiry concerning the

1. EU Conflict Minerals Regulation, which recently entered into force,<sup>1</sup> and the
2. Dodd-Frank Acts.<sup>2</sup>

Reg. 1 The EU Conflict Minerals Regulation refers specifically to Union importers<sup>3</sup> of minerals and metals. WEMA GmbH is not a Union importer of minerals and metals, the so-called conflict minerals, and hence not directly affected either by Regulation (EU) 2017/821. We do not process and sell raw materials / commodities, but use exclusively metal alloys in processed form in semi-finished products, cables or C components in order to manufacture our products.<sup>4</sup>We purchase these semi-finished products, cables or C components from suppliers within the European Union.

Reg. 2 As a German company, we do not fall within the direct scope of application of the Dodd-Frank Act. Nevertheless, we pay great attention in principle to German, European and international developments in relation to environmental, ethical and social standards and feel committed to dealing with this matter in a very sensitive way. We therefore urge our suppliers on principle to provide for the greatest possible levels of traceability and transparency.

We hope that this has been a satisfactory answer to your enquiry.

Lüdenscheid, 24.01.2018

Matthias Bittern  
Managing Director

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<sup>1</sup> Regulation (EU) 2017/821 of the European Parliament and the Council of 17 May 2017, which lays down supply chain due diligence obligations for Union importers of tin, tantalum and tungsten, their ores and gold originating from conflict-affected and high-risk areas, relates to companies that import materials from conflict-affected areas (tin, tungsten, tantalum, gold) into the EU and, within this context, exceed specific threshold values as defined in Annex 1 to this Regulation. See: <http://eur-lex.europa.eu/>

<sup>2</sup> The Dodd-Frank Wall Street Reform and Consumer Protection Act, Section 1502 "Conflict Minerals" H.R. 4173 is a US federal law which entered into force on 21 July 2010 and imposes a disclosure obligation in relation to dealings in conflict minerals (tantalum, tin, gold, tungsten) from the Democratic Republic of Congo and its neighbouring countries upon companies, which are subject to reporting obligations under the US law on trading in securities. The purpose of this law is to prevent armed groups in the Democratic Republic of Congo from funding themselves through producing and trading in raw materials / commodities. The continued existence of the regulation in the US is uncertain, as president Trump announced his intention to repeal the Dodd-Frank Act already in February 2017.

<sup>3</sup> Union importers are private individuals or legal entities, which register minerals or metals for release into free circulation within the meaning of Article 201 of Regulation (EU) no.952/2013 of the European Parliament and the Council, or a private individual or legal entity on whose behalf such registrations are submitted.

<sup>4</sup> Parts of minor significance for the finished product, the processing costs of which account for the lion's share of procurement costs, such as screws, nuts or similar assembly materials.