

CONFLICT MINERAL POLICY

Sterling Engineering expects its suppliers to maintain a policy to reasonably ensure that the tantalum, tin, tungsten, and gold (if present) contained within the product that they manufacture and supply to Sterling are “conflict free”.

“Conflict free” means any “conflict minerals” (gold, columbite,-tantalite, also known as coltan, cassiterite, wolframite, or their derivatives: tin, tantalum or tungsten) necessary to the functionality or production of the supplied products, either do not originate from the “Conflict region” situated in the eastern portion of the Democratic Republic of the Congo (DRC) and surrounding countries, or are from recycled or scrap sources.

Sterling does not knowingly procure products containing any of the above-specified metals that originate from facilities in the “Congo Region” that are not certified as “Conflict Free”.

Effective November 28th 2017 Sterling publicly declared its commitment to a “Conflict free” supply of products and materials to support the EICC (Electronic Industry Citizen Coalition), GeSI (Global e-Sustainability Initiative). Although Sterling Engineering is not regulated under the Securities Exchange Commission (SEC), we understand that our corporate parent and many of our customers are, this requires us to maintain the same requirements as theirs in addition to our commitment to our moral and ethical responsibilities.

Sterling requires their suppliers to certify through their declaration form (REF- CM(F) 01) that they are compliant to the conflict mineral program.

Suppliers to Sterling must adopt a policy regarding conflict minerals that is consistent with Sterling’s policy and require their management systems to support compliance with their policy while requiring their own suppliers to also take the same measures to ensure they too have a policy with the same results.

The responsibility must be carried out by each level of supplier from the final destination / customer all the way back to the actual mining or extraction methods of the minerals to ensure compliance.

Sterling expects suppliers to establish their own due diligence program to ensure that the specified metals are being sourced only from smelters outside of the “Conflict region” or from smelters which have been certified by an independent third party as “Conflict free” if sourced within the “Conflict region”. Smelters are qualified as “Conflict free” if validated as compliant to the EICC Conflict free smelter (CFS) protocol, using the CFS Compliant Smelter List.

Sterling expects suppliers to maintain compliance systems and be able to demonstrate a satisfactory record of written evidence (if required) to support their due diligence programs. Sterling may in its sole discretion assess and monitor ongoing performance and compliance with its conflict minerals policy, including but not limited to a review of appropriate supplier documents and review of past practices of the supplier.

Suppliers to Sterling are required to supply written confirmation that the products that they supply are “conflict free” and to complete our supplier certification. Submittal of the SEC-GeSI (general template) of conflict mineral reporting may be accepted in lieu of Sterling’s declaration form as long as it is signed by an empowered official or an officer of the company.

Sterling suppliers are expected to pass on a similar conflict minerals declaration or require a form of the general template on to their suppliers as well to ensure supply chain compliance to the program.

If Sterling discovers the use of conflict minerals produced in facilities that are considered to be “Non-Conflict free” in any supplied products or being used at any point in the supply chain they will take appropriate action to transition the supply of these products to a “Conflict free” source.

Further: Sterling will at the discretion of the President and with corporate guidance, share the issue with the end user or customer to make them aware of the non-conformance to the program.

Sterling Engineering Corporation
Management & Conflict Mineral Team.