

## **Flip Electronics' Policy on the Sourcing of Minerals Originating in the Democratic Republic of the Congo or Adjoining Countries**

### **Foundation:**

On August 22, 2012, the Securities and Exchange Commission issued its final rule regarding the sourcing of conflict minerals under Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act ("the Dodd-Frank Act"). The rule outlines reporting requirements on publicly traded companies subject to the SEC under section 13(a) or Section 15(d) of the Exchange Act. This includes a requirement to report annually the presence of conflict minerals originating in the Democratic Republic of the Congo ("DRC") or adjoining countries ("Covered Countries") in the products they manufacture or contract to manufacture whereby the conflict minerals are necessary to the functionality or production of a product. These "Conflict Minerals" include: Coltan (columbite tantalite) and its derivatives (Tantalum); Cassiterite and its derivatives (Tin); Wolframite and its derivatives (Tungsten); and Gold.

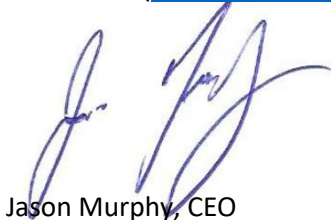
### **Flip Electronics Policy:**

Although Flip Electronics is a privately held company, and therefore exempt from these SEC regulations, we fully embrace our responsibility as participants in the electronics supply chain and the importance of fighting human rights violations through the Dodd-Frank act.

As a distributor of electronic components and parts, Flip Electronics does not engage in any manufacturing activities or value added services that require the acquisition of raw materials that may be subject the referenced legislation. Additionally we do not knowingly purchase parts that contain conflict materials and through our Supplier Requirements expect our supply chain to avoid them as well.

Flip Electronics is proud to support the joint efforts of the EICC and the Global e-Sustainability Initiative (GeSI) in taking action to address responsible sourcing through the development of the Conflict Free Smelter (CFS) program aiming to enable companies to source conflict-free minerals and encourage our sub-tier supply to establish their own due diligence program to ensure conflict-free supply chains. Additional information may be found at <http://www.conflictreesourcing.org>

Additional questions or comments regarding this policy can be directed to our Director of Quality, Gary Beckstedt ([gary.beckstedt@flipelectronics.com](mailto:gary.beckstedt@flipelectronics.com)).



Jason Murphy, CEO