

Material Compliance Statement

September, 2014

Productivity Engineering GmbH (PE) is committed to sustainability and responsibility in its entrepreneurial decisions. In addition to ethical obligations to which PE is dedicated the conformity to regulations and obligations of material usage in the production of integrated circuits is of great importance to us.

Compliance with regulations and obligations outlined as follows is subject to active surveillance:

- **RoHS**

The current EU Regulation 2011/65/EU (also known as RoHS 2) took effect on January 03, 2013. This regulation rules the usage of hazardous material in devices and assembly components. The goal of the regulation is the limitation of undesired contents in electronic and electric devices which are introduced into EU trade.

- **REACH**

The EU regulation 1907/2006 (REACH) is a EU regulation on chemicals and came into effect on June 01, 2007. REACH stands for Registration, Evaluation, Authorisation, and Restriction of Chemicals. Part of the REACH regulation is a registry of chemicals, the so-called Candidate List, which are classified as dangerous. This list is usually updated twice a year and published by the ECHA (European Chemicals Agency).

- **Conflict Minerals**

Conflict minerals include the commodities tin, tantalum, wolfram, and gold. They are mined for, among others, in the Democratic Republic of Congo and in the African Great Lakes Region and serve the funding of warfare transactions. In an attempt to inhibit this, the United States, through the Dodd-Frank Act, have imposed disclosure obligations for all conflict minerals used by all companies listed on the stock exchange. As a result, suppliers are obliged to disclose the origin of their conflict materials used. The form issued and provided by the CFSI has been widely accepted in the industry (conflict-free sourcing initiative).

We at PE outsource 100% of our production of components, a self-mandated control being therefore impossible. We thus ask all our suppliers to comply with the aforementioned regulations and obligations and acknowledge this to PE. We will verify whether or not our suppliers comply with all requirements regarding materials and resources contained in our products.

Our customers are readily provided with the respective confirmations by PE's Representative of Quality Management.