



Conflict Minerals Policy

Scope

This policy applies to the selection and retention of all Aero Pacific Corp. (APC) direct (or “tier one”) suppliers that provide materials that contain tin, tantalum, tungsten and/or gold.

Introduction and Background or Purpose

Armed groups operating in the eastern Democratic Republic of the Congo (DRC) have engaged in conflict and severe human rights abuses, fueled through proceeds from the mining or trade of so-called “conflict minerals” or 3TGs (tin, tantalum, tungsten and gold). These atrocities led to the creation of the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, built on the framework of the UN Guiding Principles on Business and Human Rights. Legal requirements have followed, requiring certain companies to disclose their due diligence consistent with the OECD Guidance, mitigating the risk that the 3TGs they purchase may directly or indirectly fund conflict in the DRC, adjoining countries, or other high-risk areas of the world. At the same time, companies are expected to source responsibly from these areas to avoid a de facto embargo, which can have significant adverse impacts or unintended consequences for artisanal miners and their families whose livelihood depends on the mining industry.

Aero Pacific Corp. (APC) deplors the violence and inhumane treatment in the DRC, adjoining countries and other parts of the world. By adopting this Policy and collaborating with our customers and suppliers, especially through the Responsible Minerals Initiative (RMI), formerly Conflict-Free Sourcing Initiative (CFSI), APC works with others to promote responsible business practices and foster peace and prosperity, which is consistent with APC values.

Requirements or Expectations

APC is committed to responsible sourcing of 3TGs using the OECD due diligence framework, so as not to support conflict or human rights abuses in the DRC region or other areas of the world, while avoiding de facto embargoes. This position is consistent with APC's Human Rights Policy and APC's respect for human rights in our own operations and our supply chains, as well as with the OECD Due Diligence Guidance and UN Guiding Principles.

APC global suppliers are required to:

- Per APC's relevant Contractual agreements and purchase order terms & conditions; Supply materials to APC that are "Conflict-Free," meaning 3TGs that are from recycled or scrap sources or that do not directly or indirectly finance armed groups through mining or mineral trading in the Democratic Republic of Congo, adjoining countries or any other high-risk area of the world as determined by regulatory bodies and as applied by RMI ("high-risk areas").
- We expect our suppliers to be transparent and responsibly source from the DRC, adjoining countries, and high-risk areas, in order to avoid de facto embargoes.

- Adopt policies and due diligence management systems consistent with OECD Guidance to identify, prevent, mitigate and, where appropriate, remediate risks associated with 3TGs as well as require their suppliers to adopt similar policies and practices. APC expects suppliers to cooperate with APC in evaluating compliance with these requirements.
- Provide APC information on the presence of 3TGs in their products and data on the smelters and refiners in their respective supply chains, consistent with the industry standard for Supply Chain Transparency provided in the Conflict Mineral Reporting Template (CMRT) as developed by RMI.
- Procure, directly or indirectly, from smelters and refiners validated under the Responsible Minerals Assurance Process (RMAP) of RMI or other recognized third-party audit / validation programs (for suppliers whose sourcing originates from the DRC, adjoining countries or high-risk areas).
- Suspend or discontinue engagement with up-stream suppliers after failed attempts at mitigation, remediation or non-conformance with APC's policy.
- Collaborate with others on cross-industry efforts, such as with RMI, to support responsible and conflict-free 3TG supply chains, including on-going education and training.

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