

12/1/16

**To our Customers, purchasing Electrocube, Seacor, and F-Dyne / Southern Electronics products -**

**REGARDING “CONFLICT MINERALS”**

Section 1502 of the Dodd-Frank Act, Amending Section 13 of the Securities and Exchange Act of 1934, was signed into law in July 2010, adopted by the Securities and Exchange Commission in August 2012, and became effective January 1, 2013.

A number of metals commonly used in the electronics industry: tantalum, tin, gold and tungsten, are derived from basic materials which are identified “Conflict Minerals” (and as “3TG”), having a variety of worldwide sources; including the Democratic Republic of the Congo (DRC) and adjoining countries, which has been determined to be a “Conflict Area”, where commerce in such minerals may finance or benefit non-government military groups or unlawful military factions, fueling significant and ongoing humanitarian crisis.

SEC-filing / publicly-traded U.S. companies are required to provide specific and comprehensive annual reporting regarding Conflict Mineral content and supply-chain. Please access <http://www.sec.gov/news/press/2012/2012-163.htm> or alternative sources of information to learn more about this new law and requirements imposed.

The term “Conflict Mineral” is defined as columbite-tantalite, also known as coltan (the metal ore from which tantalum is extracted); cassiterite (the metal ore from which tin is extracted); gold; wolframite (the metal ore from which tungsten is extracted); or their derivatives (regardless of actual source), or any other mineral or its derivatives determined by the Secretary of State to be financing conflict in the Democratic Republic of the Congo or an adjoining country. The term “Covered Countries” is defined as the Democratic Republic of the Congo (DRC) and adjoining countries sharing an internationally recognized border with the DRC. The term “DRC Conflict Free” is defined as products that do not contain (Conflict) Minerals that directly or indirectly finance or benefit armed groups in the Covered Countries.

The Dodd-Frank Act Conflict Minerals disclosure and reporting requirements are not directly (legally) applicable to Electrocube at a company level, however they are indirectly applicable, as they flow down from our customers, and through Electrocube to specific suppliers for basic materials and components. On a humanitarian and business basis Electrocube is compelled to formally obtain and document Conflict Minerals (metals) status for a comprehensive list of commodities from the applicable sources of supply, and accurately certify our product to be “DRC Conflict-Free”, or otherwise meet our content certification and supply-chain disclosure obligations.

Electrocube Inc. does not directly purchase and use any of the noted minerals / metals in their elemental form in the manufacture of Electrocube product. Electrocube Inc. does utilize some quantity of tin as a constituent part of the following materials, components and processes purchased, and used in manufacture of Electrocube products:

- Variations of tin alloy solder, for use in electrical termination and hermetic enclosure sealing.
- Variations of tin alloy spray metal, for use in capacitor end termination.
- Variations of tin alloy foils for use in capacitor construction.
- Variations of tin alloy plated finishes, applied to provide solderable and environmentally durable surface finish of component lead-wire, internal elements and external termination features / lead wires of catalog and custom electrical components, catalog and custom fabricated terminals and components, and hermetic product enclosures and parts.

Electrocube Inc. does utilize some quantity of gold as a constituent part of the following components and processes purchased, and used in manufacture of Electrocube products:

- Variations of gold alloy plated finishes, applied to provide durable and electrically conductive surface finish of electrical connector contact elements, and in limited cases to internal elements and external termination features / lead wires of catalog and custom electrical components.

Electrocube suppliers are required to provide accurate Conflict Minerals status for commodities provided, and ultimately to provide DRC Conflict-Free product. Electrocube suppliers are required to contact their sources of supply and perform a reasonable country of origin inquiry and supply-chain due-diligence investigation for all applicable commodities having necessary Conflict Mineral content, to the extent necessary to determine and disclose the supply-chain, ultimate sources of mineral supply and ascertain DRC Conflict-Free status for that Conflict Mineral content. Electrocube suppliers are required to provide certifications / declarations accurately reflecting determined status of necessary Conflict Mineral content as: Conflict Minerals Free, DRC Conflict-Free, Not Been Found to Be DRC Conflict-Free, or DRC Conflict Undeterminable; with sufficient / appropriately comprehensive reporting of inquiry and due-diligence findings. Reporting shall include a list of smelters utilized to process the applicable metal ores.

Electrocube has completed the primary stage of our discovery process, having requested and received DRC Conflict-Free certifications and Conflict Minerals content and supply-chain disclosure reporting from our applicable suppliers. Electrocube's investigation indicated that our sources of supply for the applicable commodities and processing are familiar with the Dodd Frank Act Section 1502 regulation, the reporting requirements imposed, and that they are able to provide specific DRC Conflict Free product certification and supply-chain data, covering a broad range of Electrocube products.

Electrocube in is possession of sufficient data to support universal certification of the range of Electrocube Standard Catalog Film Capacitor and RC Network product series to be "DRC Conflict Free". Please access a blanket certification on the Electrocube website. Additionally, a significant range of Electrocube Custom Engineered Products, including: Capacitors, RC Networks, Filters and Transformers; may be readily certified to be "DRC Conflict Free" on a case by case basis. Explicit Conflict Minerals investigation for Custom Engineered Products may be on an as-needed basis for designs which are less actively purchased. Please contact us regarding specific Electrocube Custom Engineered products of interest.

Electrocube is currently maintaining an ongoing discovery process; periodically re-confirming supplier status, and querying a reduced number of suppliers, regarding the composition of a range specific / unique materials and components utilized in designs for a limited range of more uniquely Custom Engineered Products. Electrocube will endeavor to identify and implement use of acceptable alternative DRC Conflict-Free replacement content when necessary and to the extent able.

Conflict Minerals (metals) content disclosure per Dodd-Frank Act Section 1502 became a requirement / provision of Electrocube purchase orders / procurements in March 2013. Subsequent Certifications of Compliance received with purchased product imply awareness and compliance with Conflict Minerals content certification and disclosure requirements. It is required that Electrocube and our suppliers remain actively aware of revisions and clarifications to the Dodd-Frank Act Section 1502 regulation on an on-going basis, and that Conflict Mineral content certifications or disclosures provided reflect the current requirements of the regulation, and current status of products and processes supplied.

Electrocube's intention will be to inform our customers regarding the status of our products, by way of our company web-site [www.electrocube.com](http://www.electrocube.com), and by reply to specific requests through our customer service department. Please access the blanket certification document currently available on our web-site; formatted as the Conflict-Free Sourcing Initiative (CFSI) Conflict Minerals Reporting Template (CMRT). Specific certifications may be similarly provided on request.

Your Electrocube contact for product content information is your Customer Service Representative, at (909) 595-4037, and [esales@electrocube.com](mailto:esales@electrocube.com). Thank you for your patience as Electrocube works diligently to confirm and maintain Conflict Minerals content information, and provide requested certifications and disclosures.

Yours sincerely,

Electrocube Incorporated



L. Clay Parrill – President