

# JAE Group Conflict Mineral Procurement Policy

In July 2010, Article 1502 of the Financial Regulatory Reform Act was enacted in the USA.

Its legislative intent is to cut off funding sources for the armed group that is engaging in abuses of human rights in the Democratic Republic of the Congo (DRC) and its neighboring countries.

This article imposes the following and other obligations on the USA listed companies that require any of the Conflict Minerals, including gold, tantalum, tin, and tungsten, for the functionality or manufacturing process of a product: to identify whether the country of origin of the Conflict Mineral is the DRC or its neighboring country and submit the report to the USA Securities and Exchange Commission.

JAE Group will respect the above intent, and from the viewpoint of respect for human rights has a policy whereby “conflict materials” will not be used as sources of funding for the above armed group, and along with requesting suppliers that materials be procured from refineries certified by a reliable internationally recognized program that there is no association with conflicts, activities in accord with the intent of the “OECD (Organisation for Economic Co-operation and Development) Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas” shall be encouraged.

It should be noted that this policy is not an absolute prohibition of the use of all minerals that have been mined or traded in the DRC and its neighboring countries, but rather permits use of minerals that have no association with conflicts.

JAE Group will also make all efforts to implement the transparency of the supply chain, for example, by responding to customers’ requests for investigation about the Conflict Minerals. For survey into “conflict minerals,” a template of a reliable internationally recognized program is utilized.

We will request suppliers to understand this policy and to maintain compliance when procuring materials.

