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## Conflict Minerals Policy

January 1, 2016

“Conflict Minerals” refers to minerals or other derivatives mined in the eastern provinces of the Democratic Republic of the Congo (DRC) and in the adjoining countries where revenues may be directly or indirectly financing armed groups engaged in civil war resulting in serious social and environmental abuses. In July 2010, the United States passed HR4173, the Dodd-Frank Financial Reform Bill section 1502(b) requiring all US stock listed companies and their suppliers to disclose the chain of custody usage of conflict minerals (Tin, Tantalum, Tungsten, and Gold...3TG).

Precision Digital Corporation fully supports this legislation and the Electronic Industry Citizenship Coalition (EICC)/Global e-Sustainability Initiative (GeSI) position to assure that specific minerals are not sourced from mines in the “Conflict Region”, which is controlled by non-government military groups. Furthermore, Precision Digital Corporation intends to adopt the EICC Due Diligence reporting process and obtain chain of custody declarations from all sourced and managed suppliers ensuring transparency in our supply chain.

- Precision Digital Corporation expects our suppliers to source materials from socially responsible suppliers. This means we not only source from regular suppliers using sources from other regions but also source from suppliers who have confirmed non-conflict sources even if those sources do come from the DRC and the surrounding area.
- Precision Digital Corporation expects all of its suppliers to comply with the Dodd-Frank regulation and provide all necessary declarations.
- Suppliers must pass this requirement on to their supply chain if they don't source directly from smelters and determine the source of specified minerals.

Precision Digital Corporation's Conflict Minerals Policy is in line with the Global Business Initiatives on Human Rights and the framework of the United Nations Principles of Human Rights encouraging governments and businesses to respect, protect, and remedy human rights.

Sincerely,

A handwritten signature in blue ink that reads "Jeffrey Peters".

Jeffrey Peters  
President