

Statement on “Conflict Minerals” from WIBU-SYSTEMS USA, Inc.

Revised: 9 October 2012

Complying with the Dodd-Frank (Wall Street Reform and Consumer Protection Act) as it relates to “Conflict Minerals” used in the electronic manufacturing industry by companies not falling under the regulations of the SEC (USA).

Some Background

The Dodd-Frank Wall Street Reform and Consumer Protection Act (Pub.L. 111-203, H.R. 4173) was signed into federal law by President Barack Obama on July 21, 2010. The law required the SEC to create several new rules and regulations with the express charge to “...promote the financial stability of the United States by improving accountability and transparency in the financial system, to end “too big to fail”, to protect the American taxpayer by ending bailouts, to protect consumers from abusive financial services practices, and for other purposes.”

The law has a broad mandate and covers several business practices that do not relate directly to financial transparency, etc. One such, concerns the use by some companies of minerals extracted in the Congo under conditions of “slave labor”.

Within recent weeks the SEC has created the final rules concerning the “Conflict Minerals” and while the new rules seem to give listed companies an exclusion (loop-hole) to those in the electronics industry who do not exercise any influence over how or where such minerals are manufactured; we are not in a position to comment on the merits of this exclusionary language, that states in part:

“A company is considered to be “contracting to manufacture” a product if it has some actual influence over the manufacturing of that product. This determination is based on facts and circumstances, taking into account the degree of influence a company exercises over the product’s manufacturing.

A company is not be deemed to have influence over the manufacturing if it merely:

Affixes its brand, marks, logo, or label to a generic product manufactured by a third party.”

Our Position

Neither Wibu-Systems, AG nor Wibu-Systems USA, Inc. are listed on any exchange and clearly do not come under these SEC rules. And while we think that any electronics company that does not directly influence the manufacturing of these minerals do not need to comply, we wish to help our customers who may feel they come under the provisions of these rules by making the following statement:

It's very difficult or impossible to identify where the suppliers of our components get the raw materials of 3TG. Nevertheless, we can say the following:

1. We are not using tantalum capacitors in our products.
2. All our suppliers are committed to RoHS without exceptions.
3. We are using tin to solder our electronic products and cannot avoid this. Since it is a commodity, we cannot know where it comes from.
4. We are using Gold for plating on direct connectors (CmStick/C, CmCard/uSD), in connector components and on PCBs to do wire bonding for our chips. We do not purchase enough from any one supplier to influence where it may come from.