

Subject: Conflict Materials Compliance

In August 2012, the U.S. Securities Exchange Commission (SEC) issued final rule to implement Section 1502 of the Dodd-Frank Act. This rule requires U.S. publicly traded companies, to identify each of its products that contain 3T&G which are necessary to the functionality or production of products it manufactures or contracts to manufacture. After this threshold determination has been made, the company must conduct a reasonable country of origin inquiry (RCOI) to determine whether such 3T&G originated in the Democratic Republic of the Congo (DRC) or an adjoining country (see below for full list of countries) or are from scrap or recycled products. If after the RCOI, it is determined that the 3T&G originated from or may have originated from the DRC or an adjoining country and are not from scrap or recycled products, it must conduct due diligence in order to determine the source and chain of custody of the 3T&G. At the end of this process, the company must file a conflict minerals report with the SEC.

We are pleased to advise that HydraForce are not aware of the use the referenced materials (Tin, Tungsten, Tantalum or Gold) in the manufacture of our products.

As a result, we see participation in the iPoint Conflict Minerals Platform (iCMP) as unnecessary for HydraForce in Lincolnshire as well as our locations in the United Kingdom and China.

Please make a note of this for your records.

If you should have any questions, please do not hesitate to contact our office.

FOR MORE INFORMATION

The following links provide further information on Conflict Minerals tools and regulatory requirements:

iPoint Conflict Minerals Platform (iPCMP) software tool/information and link to download: www.conflict-minerals.com

SEC summary of the rule: <http://www.sec.gov/news/press/2012/2012-163.htm>

General information :http://en.wikipedia.org/wiki/Conflict_minerals

The term “adjoining country” is defined in the Act as a country that shares an internationally recognized border with the DRC, which presently includes Angola, Burundi, Central African Republic, the Republic of the Congo, Rwanda, South Sudan, Tanzania, Uganda, and Zambia

For latest information, visit www.hydraforce.com

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