

January 27, 2017

Subject: Conflict Minerals Responsible Sourcing Policy

Dear ERLPhase Supplier,

In July of 2010, the United States Congress passed the Dodd-Frank Wall Street Reform and Consumer Protection Act requiring that companies who file with the Securities Exchange Commission (SEC) report upon the use of specific “conflict minerals” which may directly or indirectly finance armed conflict and human rights violations in the Democratic Republic of the Congo (DRC) or adjoining countries. Included within these “conflict minerals” are those which may be smelted into tin, tantalum, tungsten and gold (T3G); materials which are often used in the manufacture of electronics components.

As part of our commitment to corporate responsibility and respecting human rights in our own operations and in our supply chain, it is the goal of ERLPhase Power Technologies Ltd. to use tantalum, tin, tungsten and gold (T3G) in our products that do not directly or indirectly finance or benefit armed groups in the DRC or adjoining countries while continuing to support responsible mineral sourcing in the region. We encourage our suppliers to have in place similar policies and due diligence measures to reasonably assure that products and components supplied to ERLPhase containing conflict minerals are DRC conflict free. We ask our suppliers to comply with the Electronic Industry Citizenship Coalition (EICC) Code of Conduct and conduct their business in alignment with our supply chain responsibility expectations.

In support of this policy, ERLPhase will:

- Exercise due diligence with relevant suppliers consistent with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas and encourage our suppliers to do likewise with their suppliers.
- Provide, and expect our suppliers to cooperate in providing, due diligence information to confirm the tantalum, tin, tungsten, and gold in our supply-chain are “conflict free”.
- Collaborate with our suppliers and others on industry-wide solutions to enable products that are DRC conflict free.
- Commit to transparency in the implementation of this policy by making available reports on progress to relevant stakeholders and the public.

ERLPhase is committed to responsible purchasing practices to mitigate and eliminate the risk of sourcing materials which may contain conflict minerals, and we are pleased to assist our vendors to achieve and maintain the same level of commitment. Should you require any additional information regarding this policy, please feel free to contact your ERLPhase purchasing representative or contact our head office at info@erlphase.com.

Regards,



Andy Perreault
ERLPhase Power Technologies