



On August 22, 2012, the U.S. Securities and Exchange Commission (SEC) approved the final rule regarding the sourcing of conflict minerals under Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act. Under this rule, publicly traded companies must report to the SEC the presence of conflict minerals originating in the DRC or adjoining countries in the products they manufacture or contract to manufacture if the conflict minerals are necessary to the functionality or production of a product. These reports must be filed annually by May 31st beginning in 2014.

Conflict Minerals refers to certain minerals and their derivatives mined in the eastern province of the Democratic Republic of the Congo (“DRC”) and in the adjoining countries (“DRC Region”) where revenues generated by their sale may be directly or indirectly financing armed groups engaged in civil war resulting in serious social and environmental abuses.

Miraco, Inc. has taken steps to institute a procedure to ensure that we are in compliance with this legislation, including:

1. Requiring our suppliers to pass this requirement through their own supply chain and determine the source of specified minerals.
2. To ensure compliance with these requirements, we ask our suppliers to undertake reasonable due diligence with their supply chains to assure that specified metals are being sourced only from:
  - Smelters on the approved smelters list on the EICC/EgSI Conflict Minerals Reporting Template.
  - Smelters which have been certified by an independent third party as “conflict free” if sourced within the “Conflict Region”.
3. Implementing Corrective Action Requests and follow up requests to any supplier that is not in compliance with the requirements of the legislation.

Based on the information provided by suppliers to date, we are not aware of any conflict minerals sourced from the DRC or adjoining countries in our supply chain. If we discover the use of these minerals produced in facilities that are considered to be “non-conflict free”, in any material, parts or components we procure, we will take appropriate actions to transition product to be “conflict free”.