

## CONFLICT MINERALS STATEMENT BY NEL FREQUENCY CONTROLS, INC.

The term “conflict minerals” refers to minerals or other derivatives (including gold, tantalum, tin, and tungsten) mined in the Democratic Republic of the Congo (“DRC”) and its adjoining countries where revenues may be directly or indirectly financing armed groups engaged in civil war resulting in serious social and environmental abuses.

On August 22, 2012, the Securities and Exchange Commission adopted a final rule as required by Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the “Rule”). This Rule requires certain reporting companies to disclose whether conflict minerals are found in their products and whether those minerals originated from the DRC or its adjoining countries.

While NEL Frequency Controls, Inc. is not a public company and is not subject to SEC reporting under the Rule, we support the goals and objectives of the Rule and are committed to ethical business principles and the promotion of human rights. We do not directly purchase any conflict minerals directly from any mines or smelters in the DRC and the adjoining conflict region and do not knowingly procure any products containing conflict minerals.

Even though we are not subject to the Rule, we nonetheless realize that our downstream customers may be required to comply with the Rule’s reporting obligations. In order to aid such customers in their compliance with the Rule, we have contacted our suppliers regarding the source of minerals and based on the responses that we have received to date and our reasonable due diligence, we believe that the products manufactured by NEL Frequency Controls, Inc. either do not contain conflict minerals from the DRC and its adjoining countries, or the relevant metals are made from recycled/reclaimed sources as defined in the Rule. Our inquiry was reasonably designed and was conducted in good faith with an effort to obtain reliable representations as to whether our products contain any conflict minerals.

Our commitment:

- We support the aims and objectives of the Rule.
- We will communicate this statement to our suppliers and customers through our website.
- We will educate our suppliers with respect to requirements on conflict minerals.
- We will not knowingly procure conflict minerals for use in our manufacturing.
- We will work with our suppliers and request that they undertake reasonable due diligence with their supply chains to ensure conflict minerals are not being supplied.

We are continuing to work with our suppliers to determine whether conflict minerals are present in the supply chain. If it is determined that conflict minerals are in our products, we will take appropriate action to transition to conflict-free products.