

Lapp Holding AG- Oskar-Lapp-Str.2 - 70565 Stuttgart

To our valued customers

2016-09-15

Lapp position on responsible sourcing in relation to Conflict Minerals

Dear Madam or Sir,

In July 2010, the U.S. Government signed the Dodd-Frank Wall Street Reform and Consumer Protection Act. Section 1502 of Dodd-Frank Act requires all US publicly traded companies to file disclosures and reports with the U.S. Securities and Exchange Commission (SEC) related to the use of Conflict Minerals tin, tantalum, tungsten and gold (3TG) in their products.

The Lapp Group has always shown responsibility and care to promote secure and environmentally friendly products. Lapp is also committed not to purchase raw materials, subassemblies, or supplies which we know contain conflict minerals that fuel conflicts in the DRC and adjoining countries.

The Lapp Group is currently in the process to certify that all of our products comply with the Dodd-Frank Act. The Lapp product portfolio includes more than 40.000 active parts.

The following statements on "company level" (all Lapp products of our international main catalogue - henceforth called "our products") are based on the Conflict Minerals Reporting Template (CMRT), which has been established as a global standard by CFSI, an initiative of the EICC and GeSI. We kindly ask for some understanding that due to work in progress, the following status is provisional and is subject to future changes:

- 1) Tin and gold are intentionally added to some of our products.
- 2) In case 3TG are contained, they are necessary to the production of these products.
- 3) We do not source from any smelters directly. Our supply chain (see point 5) has assured us that all smelters in the supply chain do not source the 3TG from the covered countries. However, the smelters are not 100% known to us by name. By the rules of the CMRT version 4.x, the status of this question must be provided as "unknown", while in reality, the status of the products is "conflict-free".
- 4) The origin (recycler or scrap supplier) of tin and gold is also known in regards to most of our products. But again, the overall status must remain: "Uncertain or Unknown".
- 5) We have already received completed Conflict Minerals Reporting Templates (CMRT) from more than 95% of our suppliers.

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Vorsitzender des Aufsichtsrats
Siegbert E. Lapp

Vorstand
Andreas Lapp
Andreas Hermann
Georg Stawowy

Lapp Insulator ist kein
Unternehmen der Lapp Gruppe

- 6) We have not identified all of the respective smelters.
- 7) Smelter names will not be reported as long as the information is incomplete.
- A. We have a policy in place that addresses conflict minerals sourcing.
- B. The policy is publicly available on your website: www.lappkabel.com.
- C. We require your direct suppliers to be DRC conflict-free.
- D. We do not request validation by an independent third party audit program.
- E. We have implemented due diligence measures for conflict-free sourcing.
- F. We request our suppliers to fill out the Conflict Minerals Reporting Template (CMRT).
- G. We request smelter names from our suppliers.
- H. We review due diligence information received from our suppliers.
- I. The verification process of due diligence information received from our suppliers, including corrective action management, is yet to be determined.
- J. We are not subject to the SEC Conflict Minerals disclosure requirement rule.

The statement above is aggregated information for all our products of the international main catalogue. For detailed information about specific products, your local sales contact will be at your service.

Sincerely yours,

A handwritten signature in blue ink, appearing to read "Georg Stawowy".

Georg Stawowy
Board Technology & Innovation
Lapp Holding AG