



DRC Conflict Minerals Statement/Dodd-Frank Act

On August 22, 2012, the Securities and Exchange Commission (“SEC”) adopted a new rule and form, as mandated by Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (“Dodd-Frank Act”), to require companies to publicly disclose their use of conflict minerals that originated in the Democratic Republic of the Congo (“DRC”) or an adjoining country (together with the DRC, “Covered Countries”). The new rule took effect on November 13, 2012.

Section 1502 of the Dodd-Frank Act amends the Securities Exchange Act of 1934 to add Section 13(p), which directs the Commission to issue rules requiring certain companies to disclose their use of “conflict minerals” if those minerals are “necessary to the functionality or production of a product” manufactured by those companies or contracted by those companies to be manufactured. Under Section 1502, the term “conflict minerals” includes tantalum, tin, gold, or tungsten. Congress enacted Section 1502 because of concerns that the exploitation and trade of conflict minerals by armed groups is helping to finance conflict in the DRC region and is contributing to an emergency humanitarian crisis.

The Rule

The new rule applies to a company that uses any conflict minerals if:

- The company files reports with the SEC pursuant to Exchange Act Sections 13(a) or 15(d); and
- The minerals are “necessary to the functionality or production” of a product manufactured by the company or contracted by the company to be manufactured.

The Carby Corporation is a privately held corporation and thereby exempt from the requirements of Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 with regards to the use of “conflict minerals” and thereby not required to file reports with the U.S. Securities and Exchange (SEC) under Section 13(a) or Section 15(d) of the Exchange Act.

Even though The Carby Corporation is exempt from this requirement, we do voluntarily provide compliance verification to our customers by requiring our material suppliers to provide Conflict Minerals Reporting Templates or statements of compliance. If additional information is required, please feel free to contact us.

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