

## KENSON PLASTICS PROCEDURE

<b>Title:</b>	<b>Conflict Minerals</b>	<b>Number:</b>	<b>KWI-7.4-1-3</b>
<b>Approved By:</b>	<b>Chris O'Leary</b>	<b>Issued Date:</b>	<b>2014 MAR 07</b>
<b>Signature:</b>	<i><a href="#">Signature on File</a></i>	<b>Revised Date:</b>	<b>2014 MAR 07</b>

### 1.0 INTRODUCTION:

- 1.1 Purpose: This procedure defines Kenson Plastics Inc.'s Conflict Minerals Policy and the commitment to supporting legislation defining the regulations created by the U.S. Dodd-Frank Wall Street Reform and Consumer Act which shall ensure Kenson Plastics Inc. to source materials only from environmentally and socially responsible suppliers
- 1.2 Scope: This procedure is applicable to all Kenson Plastics Inc. employees, particularly with Management Commitment, Planning and Auditing in addition to the Procurement of raw materials to ensure due diligence.

### 2.0 GENERAL:

- 2.1 Definitions:
  - 2.1.1 Conflicts Minerals Act: Refers to Section 1502 (the Conflict Minerals Statutory Provision) of the Dodd-Frank Wall Street Reform and Consumer Protection Act required the Securities and Exchange Commission (SEC) to issue new disclosure and reporting obligations for issuers concerning "Conflict Minerals" that originate in the Democratic Republic of the Congo ("DRC") or an adjoining country.
  - 2.1.2 Conflict Minerals: Columbite-tantalite (from which **T**antalum is extracted); Cassiterite (chief ore needed to produce **T**in); Wolframite (source of **T**ungsten); and **G**old. Often abbreviated as **3TG**.
  - 2.1.3 Covered Country: Defined as Democratic Republic of the Congo (DRC) and a country that shares a border with the DRC, which currently includes Angola, Burundi, Central African Republic, the Republic of the Congo, Rwanda, South Sudan, Tanzania, Uganda and Zambia.
  - 2.1.4 Outside Supply Chain: Refers to the rule which exempts any Conflict Minerals that are "outside the supply chain" defined as if, by 2013 JAN 31 they have been fully smelted or refined; or they are located outside the Covered Countries.
- 2.2 References:
  - 2.2.1 KPP-8.3-1 Nonconforming Product and Material
  - 2.2.2 KPP-7.5-1 Process Control
  - 2.2.3 KPP-7.4-1 Purchasing
  - 2.2.4 KPP-8.2-1 Internal Audits
  - 2.2.5 KPP-8.5-1 Corrective and Preventive Actions
  - 2.2.6 Section 1502 (the Conflict Minerals Statutory Provision) of the Dodd-Frank Wall Street Reform and Consumer Protection Act
  - 2.2.7 EICC and GeSI's Conflict Minerals Reporting Template
  - 2.2.8 Conflict Free Smelter (CFS) Compliant Smelter List

### 3.0 PROCEDURE:

- 3.1 EQUIPMENT AND REAGENTS: None specific to this procedure.
- 3.2 HEALTH, SAFETY AND ENVIRONMENTAL REQUIREMENTS: Refer to specific regulations as dictated through product and customer requirements.
- 3.3 ADVISORY NOTES: Under the law, companies are required to submit an annual conflict minerals report to the SEC if: (a) they are required to file reports with the SEC under the Exchange Act of 1934 and, (b) conflict minerals are necessary to the functionality or production of a product that they manufacture or contract to be manufactured. Kenson Plastics Inc. does not meet either of these criteria.
- 3.4 POLICY: Responsibility: Kenson Management

Kenson Plastics Inc. is committed to supporting the end of violence and human rights violations in the mining of certain minerals from locations as defined by the U.S. Dodd-Frank Wall Street Reform and Consumer Act as “conflict minerals” and is compliant with the reporting obligations as legislated by this Act.

As part of that commitment, Kenson Plastics Inc. supports the aims and objectives of US Legislation on the supply of “conflict minerals”. In doing so, Kenson Plastics does not purchase raw ores or virgin metals nor does it utilize “conflict minerals,” currently defined as the following:

- Gold
- Columbite-tantalite (from which tantalum is extracted)
- Cassiterite (chief ore needed to produce tin)
- Wolframite (source of tungsten)

mined in either the DRC or certain bordering countries.

Kenson Plastics ensures compliance with legislation requirements and shall utilize reasonable efforts / due diligence to verify and audit the source of raw materials via its supply chain processes which are incorporated into its purchases of metal components.

- 3.5 PLANNING: Responsibility: Kenson Management
- 3.5.1 Kenson Plastics shall ensure manufacturing processes do not include Conflict Minerals in the product’s production process, do not include Conflict Minerals in the product; and do not necessitate the use of Conflict Minerals to produce the product.
- 3.5.2 Kenson Plastics Inc. shall train and make aware of the requirements for Conflict Mineral Compliance to those employees who are responsible for the procurement, planning, execution and / or auditing of this policy.
- 3.5.3 Kenson Plastics shall not negotiate contractual terms with a manufacturer or other subcomponent supplier so as to exercise a degree of influence over the manufacturing of the product to dictate the use of Conflict Minerals.
- 3.5.4 Kenson Plastics shall not knowingly utilize secondary sources of Conflict Minerals such as those included in a tool, machine or equipment used to produce the product (such as computers, power lines, drill machines / bits, soldering irons, welding electrodes, and hand tools).

- 3.6 PROCUREMENT: Responsibility: Kenson Management;  
Purchasing Agent
- 3.6.1 Kenson Management shall determine which suppliers, if any, are required to comply with the documentation requirements of this procedure - meaning if their articles may contain within their products or components 3TG excluding those which are determined to be outside the supply chain.
- 3.6.2 Kenson Management shall determine if the lower tier suppliers established in 3.6.1 understand the Conflict Minerals (3TG) information and shall provide due diligence documentation.
- 3.6.3 Kenson Management shall require that those suppliers as established in 3.6.1 to complete and submit a policy or report [such as EICC and GeSI's Conflict Minerals Reporting Template] which declares the origin of the minerals used (as appropriate).
- 3.6.4 Suppliers as established in 3.6.1 shall be required to provide their smelter names and validate these as compliant to a CFS protocol using the CFS Compliant Smelter List.
- 3.7 MANUFACTURING / DESIGN: Responsibility: Operations  
Manager; Sales Manager  
VP of Operations; Engineering  
Manager
- 3.7.1 During the support of customer design as well as the manufacturing process, materials utilized in these processes shall be verified that they have originated from reputable, approved suppliers which have met the requirements as dictated within this procedure.
- 3.7.2 Manufacturing shall not commence if it has been determined that the supplier of the material is not in compliance with this procedure.
- 3.8 AUDITING: Responsibility: Kenson Management  
Quality Manager
- 3.8.1 The Kenson Conflicts Minerals Policy, associated procedure and the conformance of the vendors as established in 3.6.1 shall be audited at least once annually through the QMS or other relevant auditing process.
- 3.8.2 Audit results shall be reported to the Kenson Management and noncompliances within the system shall be addressed accordingly using the Kenson Plastics Inc. Corrective and Preventive Action Program and any applicable 3<sup>rd</sup> party reporting criteria.
- 3.9 TRAINING AND COMMUNICATION: Responsibility: Kenson Management  
Quality Manager
- 3.9.1 Kenson Plastics shall communicate their Conflicts Mineral Policy to those customers who require or request this documentation.
- 3.9.2 Kenson Plastics shall make aware / train as appropriate the Kenson Plastics employees who plan, execute and audit the program. This awareness / training shall be completed initially and then recurrent as determined by need.