

## Conflict Minerals Policy Statement

In August 2012, the U.S. Securities and Exchange Commission (“SEC”) adopted final rules implementing Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Conflict Minerals Rule”). Under these rules, publicly traded companies must annually report to the SEC whether the products they manufacture or contract to manufacture, contain “conflict minerals” originating from the Democratic Republic of the Congo (the “DRC”) or adjoining countries. Revenue from the mining and transport of these conflict minerals is believed to be financing or benefiting groups that are responsible for human rights violations. "Conflict minerals" refers to columbite-tantalite (coltan), cassiterite, gold, wolframite and the derivatives tantalum, tin and tungsten, without regard to the location or origin of the minerals or derivative metals.

Grace Manufacturing, Inc. is not a publicly traded company and not subject to SEC reporting with regard to the Conflict Minerals Rule. Grace Manufacturing, Inc. is a processor and distributor of metal products including carbon steel, stainless steel, and aluminum. Our processing activities are confined to the physical alteration of the metals and do not in any way alter or impact the chemical content of the metals. There are many layers in the supply chain that separate us from the mines where Conflict Minerals are sourced. Based on a reasonable inquiry of our direct metals suppliers, to our knowledge, the materials we supply to our customers will be “DRC conflict free” since such products either are produced from recycled and scrap sources or utilize Conflict Minerals that do not originate from the Democratic Republic of the Congo or adjoining countries.

Suppliers to Grace Manufacturing, Inc. are encouraged to establish their own conflict minerals policies, due diligence frameworks, and management systems that are designed to prevent conflict minerals originating from the DRC or an adjoining country, to the extent that they benefit groups committing human rights violations, from being included in the products sold to Grace Manufacturing, Inc.