



August 2013

Statement on Conflict Minerals Legislation

GMI Solutions, a division of Granite Microsystems, is a company with strong values, business principles and sense of corporate responsibility. We recognize that we, like all businesses, have a responsibility to ensure all of our products are responsibly sourced and produced by our supply chain.

On August 22, 2012, the final rule regarding sourcing of conflict minerals under Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act was approved by the U.S. Securities and Exchange Commission ("SEC"). The "Conflict Materials" legislation requires publically traded manufacturers to disclose their use of conflict materials coming from the Democratic Republic of the Congo (DRC) or an adjoining country.

The new rule imposes reporting requirements on certain companies to perform due diligence with respect to the sourcing of conflict minerals and to file annual reports relating to the use of conflict minerals (tantalum, tin, gold or tungsten) originating in the Democratic Republic of the Congo and certain adjoining countries ("Covered Countries") in the products they manufacture or contract to manufacture if the conflict minerals are necessary to the functionality or production of a product. The first report must be filed with the SEC on May 31, 2014 for the 2013 calendar year.

This legislation affects virtually every U.S. manufacturer of electronic devices, and is ultimately focused on the raw material source, identified minerals suppliers are establishing methods to easily provide certifications to confirm that materials do not originate from a conflict origin.

Since this is new legislation, the logistics of reporting at this many levels is not there. Since GMI Solutions is not a publically traded company, we are not directly required to report on our raw materials. However, as a supplier to many of the largest healthcare OEMs in the world, we are affected in the reporting process since we do source many components and assemblies for our customers' manufactured devices. Due to the complexities of raw material flow within our supply chain, we are currently unable to verify with certitude the adherence of the sources at every level. This includes materials procured and consumed by our component level suppliers in the production of sub-assemblies or components that are integrated into GMI Solutions' products.

As part of our efforts to adhere to all applicable laws, our terms and conditions require that all of our vendors comply with any appropriate laws and regulations of the country of destination related to material importation, including laws and regulations specific to conditions of labor and employment, chemicals and other environmentally hazardous or controlled materials. GMI Solutions' intention is to follow the recommended practices and methodologies of the industry for identifying the source of the specified minerals once those practices and methodologies are identified.

Should you have any questions regarding regulatory issues, please contact the GMI Solutions Sales Department at (262) 242-8800 or salesdepartment@gmisolutions.com.

More information regarding the Conflict Minerals Rule at the SEC site: <http://www.sec.gov/news/press/2012/2012-163.htm>