

Purpose

In July 2010, the United States passed HR4173, the Dodd-Frank Financial Reform Bill section 1502(b), requiring all U.S. public companies and their suppliers to disclose the chain of custody usage of “conflict minerals.”

"Conflict Minerals" refers to minerals or other derivatives, specifically, tin, tantalum, tungsten, and gold, mined in the eastern provinces of the Democratic Republic of the Congo (DRC) and in the adjoining countries (“conflict region”) where revenues may be directly or indirectly financing armed groups engaged in civil war resulting in serious social and environmental abuses. API Heat Transfer fully supports and intends to comply with this legislation.

Policy

API Heat Transfer (the Company) is committed to meeting the requirements of HR 4173. In our effort to ensure that only conflict free materials and components are used in products we procure:

- 1) We will examine our supply base on an annual basis to identify active suppliers that may use the targeted conflict minerals or procure materials that may use the targeted conflict minerals.
- 2) We will direct these suppliers to undertake reasonable due diligence with their supply chains to assure that specified metals are “conflict free” meaning that are being sourced only from:
 - a. Mines and smelters outside the conflict region, and/or
 - b. Mines and smelters which have been certified by an independent third party as conflict free if sourced within the conflict region.
- 3) As needed, we will obtain from these suppliers written evidence documenting that the designated minerals used to manufacture materials, components or products supplied to the Company
 - a. originate from outside the conflict region, and/or

- b. originate from within the conflict region, and that the mines or smelters are certified as conflict free by an independent third party.
- 4) We will take appropriate actions to transition product to be conflict free should we discover the use of conflict minerals within our suppliers' operations, or within their supply chain.

Compliance

All affected locations will be monitored for policy compliance on an annual basis. Any identified gaps in compliance will be addressed for immediate resolution / correction.

Responsibility

The VP of Global Operations (Dennis Schneider @ 701-799-4737, dennis.schneider@apiheattransfer.com) and the Corporate Freight & Logistics Manager (Matthew Lis @ 716-901-8539, matt.lis@apiheattransfer.com) is responsible for:

- 1) communicating this policy to all affected personnel.
- 2) ensuring all affected personnel have the information to remain aware of the policy requirements.
- 3) ensuring all affected personnel have the information to adhering to the policy requirements.

If employees have any questions concerning this policy, contact Dennis Schneider or Matt Lis.

Acknowledgment

All affected procurement staff will be required on an annual basis to acknowledge receipt of the API Heat Transfer's Conflict Minerals Policy and commit that they will comply with the policy.