

To: Valuable Customers

Notice of Non-use of “conflicts minerals”

WHAT IS THIS CONFLICT ABOUT?

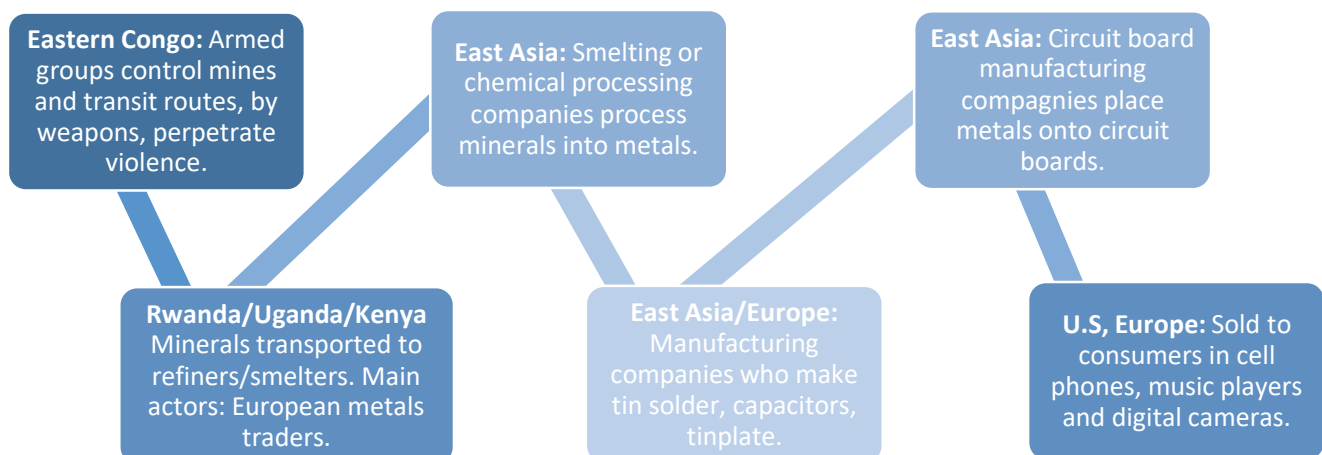
World problems can have an effect on countries and companies that value freedom and human rights. In the democratic Republic of Congo (DRC) rebels obtain their financing from the mining of certain rare minerals. These rebels use extreme violence that has created an emergency humanitarian situation in eastern DRC and the surrounding region.

In July 2010 President Obama signed into law legislation requiring companies that are derived from the “conflict minerals” coming from the DRC. The conflicts metals include Tantalum, Tungsten, Cobalt, Tin, Gold and other metal specified by the Secretary of State.

The companies are required to disclose annually if their products were produced with conflict minerals that originated in the DRC or surrounding region.

Since most products are made up of many parts and components, these companies must turn to their suppliers for this information.

Congo's Conflicts Minerals Supply Chain



*metals of gold (Au), Tantalum (Ta), Tungsten (W), Cobalt (Co) and Tin (Sn).

HOW IS STARZ ELECTRONICS RESPONDING TO THIS ISSUE?

Requests to STARZ ELECTRONICS from some customers have been coming in for information on these conflicts minerals.

STARZ ELECTRONICS in turn must also acquire this information from its suppliers.

STARZ ELECTRONICS management published a letter to its customers explaining its procedure for providing this information.

The following are three steps STARZ ELECTRONICS is doing to support this requirement for our customers.

1. STARZ ELECTRONICS states in its sourcing policy that “We strictly comply with laws, ordinances and standards by maintaining a high level of morality.” Even through STARZ ELECTRONICS is not in the scope of this new regulation, we will comprehend the contents and cooperate to make it effective.
2. However, identifying and verifying the origin of each product is very complicated and also will cause strain on many companies. With that, we had to decide to wait until the details such as items must be investigated become clearer.
3. To further the benefits of this law and promote its intended purpose, STARZ ELECTRONICS will work with suppliers with undeveloped process, providing information and guidance in an attempt to increase supply chain transparency.

Sincerely yours,

Ali Belakhoua
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