

The U.S. Securities and Exchange Commission (the “SEC”) adopted Rule 13p-1 under the Securities Exchange Act of 1934, as amended, to implement reporting and disclosure requirements related to “conflict minerals” pursuant to Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010. Rule 13p-1 imposes certain reporting obligations on SEC registered issuers that manufacture or contract to manufacture products in which conflict minerals are necessary to the functionality or production of the products. Conflict minerals are defined by the SEC as gold, columbite-tantalite (coltan), cassiterite and wolframite, including their derivatives, which are limited to tantalum, tin and tungsten for purposes of the rule (collectively, the “Conflict Minerals”). For products which contain necessary Conflict Minerals, the issuer must conduct in good faith a reasonable country of origin inquiry designed to determine whether any of the Conflict Minerals contained in its products originated or may have originated in the Democratic Republic of the Congo or an adjoining country (collectively, the “Covered Countries”) and may contribute to or finance militant groups in the region. If, based on such inquiry, the issuer knows or has reason to believe that any of the necessary Conflict Minerals contained in its products originated or may have originated in a Covered Country and knows or has reason to believe that those necessary Conflict Minerals may not be solely from recycled or scrap sources, the registrant must conduct due diligence to conclude if the necessary Conflict Minerals contained in the products did or did not directly or indirectly finance or benefit armed groups in the Covered Countries. Products which do not contain necessary Conflict Minerals that directly or indirectly finance or benefit armed groups in the Covered Countries are considered “DRC Conflict Free.”

In 2018, SML undertook a number of steps to determine whether any of the products which we contracted to be manufactured for the Company included components or materials which contained Conflict Minerals in order to assess the applicability to the Company of Rule 13p-1. These steps included (i) the continuous education of certain of our employees about Conflict Minerals and of our reporting obligation; (ii) identifying our vendors for products which could contain Conflict Minerals; (iii) communicating our vendor compliance manual, which contains Conflict Minerals compliance requirements for our suppliers, and obtaining Conflict Minerals compliance commitments from our vendors; (iv) educating our vendors about the Conflict Minerals reporting obligation; (v) requesting information from our vendors regarding the Conflict Minerals content of the products and/or components that they provide; and (vi) collecting and analyzing the information from our vendors.

As noted above, we have developed a Conflict Minerals Policy, incorporated in our Vendor Compliance Manual, and implemented procedures for supply chain diligence relating to Conflict Minerals. The Company’s policy with respect to Conflict Minerals is as follows:

Further, for calendar year 2018, the Company undertook a supply-chain survey of direct relevant vendors, including a reasonable country of origin inquiry, whereby such vendors were asked to complete and execute one of two certifications or contact appropriate members of management if they were not able to complete and execute one of the two certifications. The vendors were asked to certify that, based upon their knowledge of the products that they manufacture for SML and their inquiry of all of their suppliers of component parts for SML products, either (i) none of the products that they manufacture for SML contains any Conflict Minerals or (ii) none of such Conflict Minerals are sourced from any Covered Country or such Conflict Minerals are from recycled or scrap sources. In addition, for those vendors that state that they do supply products that contain Conflict Minerals, the Company requires a completed Electronic Industry Citizenship Coalition-Global eSustainability Initiative Conflict Minerals Reporting Template (“reporting template”) to determine whether any of the Conflict Minerals originated in a

Covered Country and whether any of the Conflict Minerals may be from recycled or scrap sources. We have engaged with vendors through oral and written communications, as necessary, in order to encourage and facilitate cooperation and response and, as such, we have obtained a 100% response rate; all of the Company's vendors executed and delivered one or the other of the certifications and, when required, also completed and delivered a reporting template.

Based upon SML's review of the certifications, reporting templates and other communications with our vendors, we have concluded in good faith that during 2018, based on the reasonable country of origin inquiry, we have no reason to believe that any of the Conflict Minerals necessary to the functionality or production of any of our products may have originated in any of the Covered Countries or were not solely from recycled or scrap sources and, as such, we believe that our products are "DRC Conflict Free." Furthermore, we have not identified any indicator or other risks that lead us to believe that any of the Conflict Minerals in our products could be sourced from the Covered Countries and we consider that it is reasonable to rely upon the representations of our vendors.