



HPC plc Conflict Minerals Statement

In August 2012, the U.S Securities and Exchange Commission (SEC) issued final rules implementing the Conflict Minerals Provision (section 1502), of H.R.4173 (the Dodd-Frank Wall Street Reform and Consumer Protection Act). This provision requires companies to disclose and report their use of "Conflict Minerals", as the term is defined in the subject legislation, as well as the origin of those minerals when the use thereof is necessary to the functionality or production of the product(s) manufactured or contracted to be manufactured.

These "Conflict Minerals are defined in the "Act" as Coltan (for tantalum), Cassiterite (for tin), Wolframite (for tungsten) and gold ore which are mined in the Democratic Republic of Congo (DRC), Angola, Burundi, Central African Republic, Rwanda, South Sudan, Tanzania, Uganda and Zambia.

The intention of this portion of the "Act" is to further the humanitarian goal of ending the extremely violent conflict in the DRC which has been partially financed by the exploitation and trade of conflict minerals originating in the DRC and the bordering countries.

HPC Compressed Air Systems is not required to file reports with the SEC.

Additionally, the products of Kaeser Kompressoren SE which are in turn supplied in the UK by HPC Compressed Air Systems are not affected by the "Act" because they are only used as a tool to produce the final product at our customers-they are not part of the final product (please refer to page 90,91 of the "Act");

...We do not believe that a conflict mineral in a tool or machine is captured by the Conflict Minerals Statutory Provision because, although the conflict mineral may be included in the tool or machine, additionally, the tool or machine is unlikely to be contained in the final product....

Nevertheless, HPC plc is supporting customers in the global market that are required to follow the "Act", by diligently working to obtain the required verification on the use of conflict minerals. The complexity of our supply chain, as well as the supply chain of our suppliers, has made this process extremely difficult. While our suppliers, to the best of our knowledge, have not found any indication that there are conflict minerals in the materials they supply to us yet, they are continuing to work very hard to comply with the requirements of the "Act".

HPC Precision Engineering is not required to file reports with the SEC.

We have conducted an appropriate investigation of our manufacturing and material inputs and as a result have determined that no Conflict Minerals nor any derivatives thereof, are used as a material input in any of the products manufactured and supplied to our customers. Nor are there any Conflict Minerals necessary to the functionality of such products.

According to the information available from our supply base, we are convinced that the material for our products does not contain any of the Conflict Minerals sourced from the DRC or any of its adjoining countries.

We will continue to monitor and review our supply base accordingly in respect of the Conflict Minerals referenced in the aforementioned Act.

HPC plc is, and has always been, committed to ensuring respect for fundamental and human rights in all that we do. The same is expected from our supply chain.

Ian Curtis
Chairman
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