



CONFLICT MINERALS ACT

Section 1502 (the Conflict Minerals Statutory Provision) of the Dodd-Frank Wall Street Reform and Consumer Protection Act required the Securities and Exchange Commission to issue new disclosure and reporting obligation to issuers concerning "conflict minerals" that originate in the Democratic Republic of the Congo (DRC) or an adjoining country.

In accordance with the law, Prospect Machine Products will make every effort to ensure that its supplier base has performed due diligence in the sourcing of raw materials from approved suppliers.

Prospect Machine Products will maintain a current list of vendors affected by conflict minerals and the associated certifications on file as to their current state of compliance with the provisions of the law. The list is available to our customers.

It is the intent of Prospect Machine Products to closely monitor the status of compliance achieved by our suppliers. We will periodically conduct reasonable investigations to assure our suppliers are either working to or have achieved compliance with the provisions of the act. If our investigation reveals a lack of progress towards compliance, we will issue a formal cause and corrective action to the supplier. Should the supplier prove unable to dispute the cause and corrective action, the supplier could lose preferred supplier status as well as future business with us.

Our policy will remain in place until further federal legislation requires us to modify it.

Karen A. McWhirt

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President