



TRADE AND ENVIRONMENTAL COMPLIANCE

LAST REVISION 01/10/2020

Powell Electronics, Inc. is dedicated to meeting recognized standards for trade practices, including export compliance. We also meet various environmental compliances including RoHS, REACH and Conflict Minerals.

EXPORT COMPLIANCE

Powell Electronics is dedicated to export compliance with US control laws. To maintain compliance, Powell Electronics is registered with the US State.

These export laws cover defense articles, defense services and technical data. ITAR is product-specific, not application-specific, and it does not affect all military connectors. Powell Electronics makes it easy for you to maintain export compliance. We will inform you if a requested product is export-controlled.

To learn more:

IN the US: applicable laws and regulations include the Export Administration Regulations (“EAR”) established under the US Department of Commerce, the International Traffic in Arms Regulations (“ITAR”) established under the US Department of State, and the embargo controls administered by the US Department of the Treasury’s Office of Foreign Asset Controls (“OFAC”). Learn more at <http://www.pmddtc.state.gov>.

ENVIRONMENTAL COMPLIANCE

RoHS – EU Directive 2011/65/EU

EU Directive Requirement – The Directive requires that the homogenous materials within new electrical and electronic equipment must contain less than 0.1% by weight of lead, mercury, hexavalent



chromium, polybrominated biphenyls (PEBB) or polybrominated diphenyl ethers (PBDE) and less than 0.01% Cadmium. A list of exemptions for the use of the above substances in specific items is given in Annexes III and IV of Directive 2011/65/EU. The Directive also allows some additional, broader exemptions, for example equipment intended for Military purposes.

Powell Electronics' Statement – Although Powell is a distributor and most of our products are outside the scope of Directive 2011/65/EU either because they are components or as they are specifically manufactured for use in the military or aerospace sectors, we are committed to helping our customers find information regarding RoHS in order to reduce or eliminate hazardous substances, including using substitutes as and when they become available to the industry.

REACH Compliance

REACH regulation (EC) No. 1907/2006 is legislation on chemicals and their safe use, and came into force in June 2007. REACH is aimed at improving the protection of human health and the environment through better and earlier identification of the properties of chemical substances as well as progressive substitution of the most dangerous chemicals when suitable alternatives have been identified.

Substances of Very High Concern (SVHCs)

Under REACH, the most hazardous substances on the market are gradually being added to a list known as the "Candidate List," with the view of ensuring their use is correctly controlled, and that safer alternatives are found as soon as possible. The substances on this list are termed "Substances of Very High Concern" (SVHCs). Cadmium was added to the Candidate List, and hence become a SVHC, on 6/20/2013.

Article 33 of REACH

Article 33 requires that any supplier of an article in the EU containing SVHCs above the threshold of 0.1% weight by weight must provide sufficient information to the customers to allow safe use of the article.

The relevance of SVHCs of Powell Electronics' products

A number of products that Powell supplies are cadmium-plated, and hence contain more than 0.1% by weight of cadmium, an SVHC. Powell Electronics is committed to helping our customers identify parts that contain cadmium and providing information to allow safe use of the substance.

Dodd-Frank Act / Conflict Minerals

In July 2010, the U.S. government signed the Dodd-Frank Wall Street Reform and Consumer Protection Act (the 'Dodd-Frank Act'). Section 1502 of the Dodd-Frank Act requires all U.S. publicly traded companies to file disclosures and reports with the U.S. Securities and Exchanges Commission ("SEC") related to the use of "Conflict Minerals" in their products. The regulation was adopted by the SEC in



August 2012. The first specialized disclosure report must be filed with the SEC no later than May 31, 2014, covering the calendar year 2013.

“Conflict Minerals” in this context refers to specific minerals originating from mines controlled by armed groups in the Democratic Republic of the Congo (DRC) or adjoining countries. The “Conflict Minerals” include Gold (Au), Tin (Sn), Tantalum (Ta), and Tungsten (W).

Powell Electronics, Inc. is committed to complying with this legislation and is taking steps to comply with the regulations.

STATEMENT ON SLAVERY AND HUMAN TRAFFICKING

Our Due Diligence Process:

As part of our initiative to identify and mitigate the risk of slavery and human trafficking occurring in our supply chain we have in place:

- Regular assessments of our suppliers
- Condition of purchase requiring our suppliers to warrant that they have thoroughly investigated their labor practices and those of their supply chain, to ensure that there is no slavery or forced labor used anywhere in their organization or by any suppliers or subcontractor to their organization
- An internal Code of Ethic
- A specific policy to protect whistle blowers
- Adequate and regular training to the concerned employees on modern slavery in supply chains and its issues