



September 05, 2014

**To:** Our Valued Customers

**Re:** Status Update on Conflict Minerals Compliance Efforts

The purpose of this correspondence is to update our customers and other business associates on the status of SigmaTron International, Inc. (SII) efforts to comply with Conflict Mineral (CM) regulations that were enacted as a result of the Dodd-Frank legislation.

The CM regulations require publicly-traded companies that are users of tin (cassiterite), gold, tungsten (wolframite), and/or tantalum (columbite-tantalite) to survey their supply chains and take steps to confirm that none of such specified minerals are from the Democratic Republic of Congo (DRC) region, or if they are from this region, they do not contribute to social conflict. Disclosures are then required on company web sites and in filings with the Securities Exchange Commission (SEC). The first reporting year of the regulations is 2013 with initial reports due in May 2014. SigmaTron did send the first report to the SEC in May of 2014.

All of the specified minerals are commonly used in the electronics industry. Most of the components SII customers specify in their Approved Vendor Lists contain one or more of these minerals, and SII uses tin in all its soldering systems.

SII has a global service center actively surveying its supply base to gather information and confirm the specified minerals are not from the DRC region. We do this by performing a reasonable country of origin inquiry, conducting due diligence, interviewing our suppliers and thereafter relying on representations being made by our suppliers, following their own supply chain investigations. At this point we have responses from more than 90% of our supply base. Here is what we are finding:

1. Some of the responses received from our suppliers report no usage of the specified minerals originating in the DRC region.
2. Several of the responses received report that suppliers are in the process of collecting the source of the specified minerals down their supply chain and are not complete with their analysis.
3. Other responses received report that during their analysis of their own supply chain, suppliers have determined that a portion of the specified minerals they use are of "DRC Conflict Undeterminable Origin". These suppliers report that they are continuing to work to find the sources of the undetermined portion of the specified minerals in their supply base.
4. Lastly, a portion of the suppliers are currently indicating that they use the specified minerals from the DRC region and that have been determined to be "Conflict Free."

continued

While current Dodd-Frank regulations allow for the use of the specified minerals from the DRC region where such specified minerals have been determined to be "Conflict Free," use of these minerals will require additional SEC reporting disclosures as well as a private third party audit of SII's efforts to comply with the Dodd-Frank regulations, including elaborate due diligence frameworks. These extra measures are required of larger reporting companies after a two-year grace period.

Based on the information we have received to date, SII has and will be reporting to customers and the SEC that the products SII produces are being made with the specified minerals of "DRC Conflict Undeterminable Origin." Along with this disclosure, SII will provide a completed EICC report on the latest Conflict Minerals Reporting Template to any customer upon request. Per the Dodd-Frank regulations, this disclosure is acceptable and meets SEC requirements for the first two reporting years through May, 2016.

Sincerely,

Allen Abell

*Director of Quality & Compliance*  
*SigmaTron International, Inc.*