



Mueller Brass Co.
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January 1, 2015

Dear Customer:

Thank you for your letter regarding the new “Conflict Minerals” rule (“the rule”) finalized on August 22, 2012, by the Securities and Exchange Commission (SEC) as directed by Section 1502 of the Dodd-Frank Act of 2010.

The final rule only applies directly to companies required to report to the SEC under Sections 13(a) or 15(d) of the Exchange Act. Even if a company determines that the rule will not directly apply to it, the company may likely still bear an indirect impact if its downstream users are directly covered by the rule. Regardless of whether we are covered directly by the rule, we intend to follow the rules requirements for reporting on conflict minerals to provide our customers with the information necessary for them to comply.

The final rule will apply to products containing any of the four conflict minerals (tin, tantalum, tungsten and gold) if the minerals are “necessary to the functionality or production” of the product or products manufactured. In a significant departure from its original proposal, the SEC ultimately determined that “intentionally adding” a mineral to the product was a measure of whether the mineral was necessary to the functionality or production of the product. We take this to mean that alloys containing trace elements of a conflict mineral as contaminants and impurities do not cause that product to fall under the requirements of the rule.

We followed the development of this rule closely and responded to the SEC’s request for comments, raising several critical issues related to the inability to trace the origin of conflict minerals in recycled scrap. We are pleased to report that the SEC responded to our comments and recognized that it is impossible to trace the source of conflict minerals in scrap. The original proposal would have required a Conflict Minerals Report (CMR), due diligence and third-party audits for all recycled or scrap sources of conflict minerals. In the final rule, we will be required only to conduct a “reasonable inquiry” procedure to determine whether the conflict minerals come from scrap sources.

Of the four metals, we use only tin as an alloying element in some of the alloys that we supply to you. Most of the tin in our alloys is sourced from the post-industrial or post-consumer scrap that we melt as part of the melting operation to produce new material. To address your inquiry, we are establishing a “reasonable inquiry” procedure to establish that any conflict minerals in our product originate from recycled material when in fact that is the case.

We do purchase a small amount of virgin alloying metal, and when we do so, it comes as metallic tin in “master alloys” of tin and copper that we purchase from master alloy manufacturers that obtain the alloying metal from refiners and smelters. We do not purchase any conflict minerals directly from the smelters. We are establishing programs that will provide methods to determine sourcing of the virgin minerals in our products to insure that they are DRC conflict-free.

We want to assure you that, with respect to the rule’s requirements for reporting on conflict minerals, our company will comply with the SEC requirements. The SEC plans to provide additional guidance in the near future, which hopefully will further clarify the law’s requirements. At this time we are not aware of the inclusion of any covered conflict minerals in our products that would require a finding of “not DRC conflict minerals free.” We will continue working with our suppliers to assure that our products remain DRC conflict-free.

Thank you for the opportunity to address your concerns regarding the SEC’s Conflict Minerals Rule, and most importantly, for the opportunity to be your supplier. We appreciate your business.

Sincerely;

Mueller Brass Company