Re: US SEC Conflict Minerals Rule

Radar Inc. is fully aware of U.S. Congress HR 4173, specifically section 1502-Conflict Minerals and the resulting SEC reporting rule that applies to companies that use minerals including gold, tin, tantalum or tungsten (3T) if: (1) the company is required to file reports with the SEC under the Exchange Act and (2) the minerals are "necessary to the functionality or production" of a product manufactured or contracted to be manufactured by the company. The concepts of "contracting to manufacture" and "influencing the manufacture" are key elements of the SEC rule in determining supply chain requirements for conflict mineral declarations. These concepts are explained in the attached SEC Conflict Minerals Fact Sheet.

The SEC does not require companies to report on products in which they have no actual influence or control. As a traditional distributor of numerous major product lines, Radar Inc. neither manufactures, contracts to manufacture, nor influences the manufacture of the goods produced and sold by our suppliers, neither as a privately held company is Radar Inc. required to file reports with the SEC. Therefore does not meet the criteria required to complete the EICC GeSI Conflict Materials Reporting Template.

To aid customers in determining the component manufacturer's Conflict Mineral Position, Radar is providing access to our manufacturer's statements via the internet @ http://www.radarinc.com/conflict-materials/.

Cordially,

Tracy Schornick
President
Radar Inc.

FACT SHEET

Disclosing the Use of Conflict Minerals

Background

In 2010, Congress passed the Dodd-Frank Act, which directs the Commission to issue rules requiring certain companies to disclose their use of conflict minerals if those minerals are "necessary to the functionality or production of a product" manufactured by those companies. Under the Act, those minerals include tantalum, tin, gold or tungsten.

Congress enacted Section 1502 of the Act because of concerns that the exploitation and trade of conflict minerals by armed groups is helping to finance conflict in the DRC region and is contributing to an emergency humanitarian crisis. Section 1502 of the Act amends the Securities and Exchange Act of 1934 to add Section 13(p).

The Rule

The final rule applies to a company that uses minerals including tantalum, tin, gold or tungsten if:

- The company files reports with the SEC under the Exchange Act.
- The minerals are "necessary to the functionality or production" of a product manufactured or contracted to be manufactured by the company.

The final rule requires a company to provide the disclosure on a new form to be filed with the SEC (Form SD).

Contracting to Manufacture:

A company is considered to be "contracting to manufacture" a product if it has some actual influence over the manufacturing of that product. This determination is based on facts and circumstances, taking into account the degree of influence a company exercises over the product's manufacturing.

A company is not be deemed to have influence over the manufacturing if it merely:

- Affixes its brand, marks, logo, or label to a generic product manufactured by a third party.
- Services, maintains, or repairs a product manufactured by a third party.
- Specifies or negotiates contractual terms with a manufacturer that do not directly relate to the manufacturing of the product.

The requirements apply equally to domestic and foreign issuers.

Determining Whether Conflict Minerals Originated in the DRC or Other Covered Countries:

Under the final rule, a company that uses any of the designated minerals is required to conduct a reasonable 'country of origin' inquiry that must be performed in good faith and be reasonably designed to determine whether any of its minerals originated in the covered countries or are from scrap or recycled sources.

If the inquiry determines either of the following to be true:

The company *knows* that the minerals *did not* originate in the covered countries or *are* from scrap or recycled sources.

The company *has no reason to believe* that the minerals *may have* originated in the covered countries or *may not be* from scrap or recycled sources.

… then the company must disclose its determination, provide a brief description of the inquiry it undertook and the results of the inquiry on Form SD.

The company also is required to:

Make its description publicly available on its Internet website.

Provide the Internet address of that site in the Form SD.

If the inquiry otherwise determines both of the following to be true:

The company *knows or has reason to believe* that the minerals *may have* originated in the covered countries.

The company *knows or has reason to believe* that the minerals *may not be* from scrap or recycled sources.

… then the company must undertake "due diligence" on the source and chain of custody of its conflict minerals and file a Conflict Minerals Report as an exhibit to the Form SD.

The company also is required to:

Make publicly available the Conflict Minerals Report on its Internet website.

Provide the Internet address of that site on Form SD.

What Must Be Included in the Conflict Minerals Report:

Under the final rule, companies that are required to file a Conflict Minerals Report must exercise due diligence on the source and chain of custody of their conflict minerals. The due diligence measures must conform to a nationally or internationally recognized due diligence framework, such as the due diligence guidance approved by the Organization for Economic Co-operation and Development (OECD).

DRC Conflict Free — If a company determines that its products are "DRC conflict free" — that is the minerals may originate from the covered countries but did not finance or benefit armed groups — then the company must undertake the following audit and certification requirements:

Obtain an independent private sector audit of its Conflict Minerals Report

Certify that it obtained such an audit.

Include the audit report as part of the Conflict Minerals Report.

Identify the auditor.

Not Been Found to Be "DRC Conflict Free" — If a company's products have not been found to be "DRC conflict free," then the company in addition to the audit and certification requirements must describe the following in its Conflict Minerals Report:

The products manufactured or contracted to be manufactured that have not been found to be "DRC conflict free."

The facilities used to process the conflict minerals in those products.

The country of origin of the conflict minerals in those products.

The efforts to determine the mine or location of origin with the greatest possible specificity.

DRC Conflict Undeterminable — For a temporary two-year period (or four-year period for smaller reporting companies), if the company is unable to determine whether the minerals in its products originated in the covered countries or financed or benefited armed groups in those countries, then those products are considered "DRC conflict undeterminable."

In that case, the company must describe the following in its Conflict Minerals Report:

Its products manufactured or contracted to be manufactured that are "DRC conflict undeterminable."

The facilities used to process the conflict minerals in those products, if known.

The country of origin of the conflict minerals in those products, if known.

The efforts to determine the mine or location of origin with the greatest possible specificity.

The steps it has taken or will take, if any, since the end of the period covered in its most recent Conflict Minerals Report to mitigate the risk that its necessary conflict minerals benefit armed groups, including any steps to improve due diligence.

For those products that are "DRC conflict undeterminable," the company is not required to obtain an independent private sector audit of the Conflict Minerals Report regarding the conflict minerals in those products.

Recycled or Scrap Due Diligence — There are special rules governing the due diligence and Conflict Minerals Report for minerals from recycled or scrap sources. If a company's conflict minerals are derived from recycled or scrap sources rather than from mined sources, the company's products containing such minerals are considered "DRC conflict free."

If a company cannot reasonably conclude after its inquiry that its gold is from recycled or scrap sources, then it is required to undertake due diligence in accordance with the OECD Due Diligence Guidance, and get an audit of its Conflict Minerals Report. Currently, gold is the only conflict mineral with a nationally or internationally recognized due diligence framework for determining whether it is recycled or scrap, which is part of the OECD Due Diligence Guidance.

For the other three minerals, if a company cannot reasonably conclude after its inquiry that its minerals are from recycled or scrap sources, until a due diligence framework is developed, the company is required to describe the due diligence measures it exercised in determining that its conflict minerals are from recycled or scrap sources in its Conflict Minerals Report. Such a company is not required to obtain an independent private sector audit regarding such conflict minerals.