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July 29, 2013

To Our Valued Customer:

On August 22, 2012, the U.S. Securities and Exchange Commission (SEC) adopted final rules to implement reporting and disclosure requirements related to "Conflict Minerals," as directed by the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010. The rules require manufacturers to disclose whether the products they manufacture contain "Conflict Minerals" that are "necessary to the functionality or production" of those products.

Subsequently, Hydramec Inc. has been asked by our customers to declare whether or not the products we manufacture contain "Conflict Minerals." Because Hydramec Inc. does not produce any of the raw materials we use in our manufacturing process, we have relied on the statements of our suppliers in response to customer inquiries. Our suppliers have declared to us that they either do not use or have not used "Conflict Minerals" sourced from the Democratic Republic of Congo (DRC) or adjoining countries.

Therefore, Hydramec Inc. does not manufacture from material derived from "Conflict Minerals" and based on declarations from our suppliers, Hydramec Inc. is not aware of the use of any "Conflict Minerals" sourced from the DRC or adjoining countries in the material they source.

Sincerely,

Erik J. Potter GM/Buyer