

BALLUFF

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to our customers

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Datum 2013-04-04

Ihre Nachricht

Ihr Zeichen

Unser Zeichen PD

Your request regarding "Conflict Minerals"

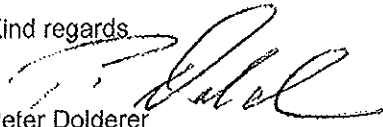
Dear Sir or Madam,

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

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 traces 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. As stated from the SEC, it's 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.

We purchase only processed metal and products with metallic/metallized parts. We do not purchase any conflict minerals directly from the smelters. We research together with our suppliers to insure that our purchased goods 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.

Kind regards


Peter Dolderer
Director Corporate Quality and
Environmental Management