

Conflict Minerals Policy

Background

In 2010, Congress passed the Dodd-Frank Wall Street Reform and Consumer Protection Act (“Dodd-Frank”) requiring the Securities and Exchange Commission (“SEC”) to issue rules specifically relating to the use of “Conflict Minerals” within manufactured products. Conflict Minerals are currently defined by US Law as tin, tantalum, tungsten and gold (also known as “3TG”) and related derivatives. The SEC rules require any SEC registrant whose commercial products contain any 3TG (“3TG Product”) to determine whether the 3TG in the 3TG Product originated from the Democratic Republic of the Congo (“DRC”) or adjoining countries (collectively, the “DRC Region”) and, if so, whether the 3TG is “conflict free”. “3TG Conflict Free” means that the supply chain is transparent and the 3TG in 3TG Products does not directly or indirectly benefit armed groups responsible for serious human rights abuses in the DRC Region. By enacting this provision, Congress intends to further the humanitarian goal of ending the extremely violent conflict in the DRC Region, which has been partially financed by the exploitation and trade of 3TG originating in the DRC Region.

Commitment

In accordance with the law and SEC rule, but more importantly in the spirit set forth in our Code of Conduct, Nortek and its subsidiaries (collectively, “Nortek”) will work with our supply chain partners to take reasonable steps to ensure Nortek’s compliance with the law and regulations and to strive towards sourcing product which is considered “3TG Conflict Free”.

If “3TG Conflict Free” status cannot be determined by a supplier, or if, after allowing the supplier a reasonable timeframe to achieve “3TG Conflict Free” status, the supplier is unable to achieve such status, Nortek will execute remediation steps to evaluate and procure, as necessary, alternate products and materials.

It is the desire of Nortek to eventually reach “3TG Conflict Free” status; however, due to the complexity of our supply chain and the number of suppliers involved, it is a goal we will seek to achieve over time. In the meantime, Nortek will take reasonable steps working with our suppliers to map our 3TG Products back to the smelter to determine if the 3TG in our 3TG Products is coming from a smelter considered “conflict free” by a recognized organization or program, such as the Conflict Free Smelter (“CFS”) program.

Expectations of Suppliers

Nortek expects our suppliers to partner with us to reach “3TG Conflict Free” status. We expect our suppliers, at a minimum, to:

- Establish a conflict mineral policy consistent with Nortek’s Conflict Minerals Policy, implement management systems to support compliance with their policy and require their suppliers of any tier to take the same steps towards achieving “3TG Conflict Free” status.
- Complete Nortek’s Conflict Minerals survey, identifying 3TG Product they sell to Nortek and the smelter that provided the original 3TG material. Nortek’s direct suppliers may have to require successive upstream suppliers to complete Nortek’s Conflict Minerals survey, or an equivalent survey form reasonably acceptable to Nortek, until the smelter is identified.
- On an annual basis, provide a report to support Nortek’s SEC reporting requirements.
- Ultimately, supply 3TG Product that is 3TG Conflict Free.