

Conflict Minerals Standard Operating Procedure

SECTION I – GENERAL

Purpose

Aaran 1, including all of its other factories, is committed to conducting business in a legal, ethical, transparent, and professional manner. Accordingly, it is the policy of Aaran 1 to comply fully with the U.S. Securities Exchange Act of 1934, the Dodd-Frank Wall Street Reform and Consumer Protection Act (“Dodd-Frank Act”), the U.S. Securities and Exchange Commission Final Rule on Section 1502 of the Dodd-Frank Act, and with all other applicable conflict minerals laws (collectively, “Conflict Mineral Rules”).

Scope

This conflict minerals standard operating procedure (“SOP”) applies to (1) Aaran 1 Engineering (“Aaran 1”) and its employees, officers, and directors and (2) all direct and indirect subsidiaries of Aaran 1 worldwide and any employees, officers, and directors. This SOP applies to the Aaran 1 products that fall within the scope of the Conflict Mineral Rules.

SECTION II – STATEMENT OF POLICY

General

This SOP aims to support strong management systems for Aaran 1’s 3TG Minerals supply chain due diligence and reporting compliance; to outline how to identify and assess 3TG Minerals conflict risks in Aaran 1’s supply chain; to support the design and implementation of strategies to respond to identified 3TG Minerals conflict risks; and to outline how to report on Aaran 1’s 3TG Minerals supply chain due diligence activities, as required by the Conflict Mineral Rules.

Background

The Conflict Mineral Rules require certain publicly-traded companies to annually disclose whether the products they manufacture or contract to manufacture contain tantalum, tungsten, tin, or gold (“3TG Minerals”) originating from the Democratic Republic of the Congo or any of its nine adjoining countries (“Covered Country”). Should a company determine or have reason to believe that the 3TG Minerals present in its product(s) are sourced from a Covered Country and are not scrap or recycled in nature, it must carry out a good faith due diligence review of its supply chain to determine the chain of custody and source of such 3TG Minerals. The intent of the Conflict Mineral Rules is to reduce violence funded through exploitation of mining and trade activities in the Covered Countries.

The Conflict Mineral Rules requires Aaran 1 to determine if 3TG Minerals are used in its product(s); determine the country of origin of the 3TG Minerals used; and perform due diligence on the source and supply chain of 3TG Minerals in accordance with a nationally or internationally-recognized framework. Aaran 1 drafted this policy to align with the internationally-recognized Organisation for Economic Co-operation and Development’s “*OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High Risk Areas*” (“OECD Guidance”).

Aaran 1 is required to file a specialized disclosure form (“Form SD”) and, in certain situations, a Conflict Minerals Report (“CMR”), which may need to undergo an Independent Private Sector Audit (“IPSA”).

Once the IPSA is complete, Aaran 1 must file its Form SD and accompanying CMR with the U.S. Securities and Exchange Commission (“SEC”) by May 31st after the end of the calendar year being reported on (e.g., for the reporting calendar year of January 1-December 31, 2016, Aaran 1 must file the Form SD and CMR by May 31, 2017). Aaran 1 must also upload the Form SD and CMR to Aaran 1’s website for public disclosure.

SECTION III – ADMINISTRATION AND MANAGEMENT OF AARAN 1’S CONFLICT MINERALS PROGRAM**Roles and Responsibilities**

Executive Sponsor: The Executive Sponsor of Aaran 1’s Conflict Minerals program is the General Manager. The Executive Sponsor is responsible for overseeing Aaran 1’s Conflict Mineral program, as well as periodically updating senior management on program progress and issues. The Executive Sponsor will coordinate Conflict Mineral Program updates requested by the Company’s audit committee.

Signatory: The Signatory of the Company’s Form SD is the General Manager. Per SEC rules, the Form SD must be signed by an executive officer. The Signatory is the executive in charge of the area of the business with ultimate responsibility for Conflict Minerals compliance.

Conflict Minerals Lead: The Conflict Minerals Lead is the Managing Director. The Conflict Minerals Lead is responsible for developing Aaran 1’s Conflict Minerals program, as well as periodically updating the Executive Sponsor on Conflict Minerals Program progress and issues.

Conflict Minerals Working Group: A cross-functional Conflict Minerals Working Group (the “Working Group”) has been established to manage Aaran 1’s Conflict Minerals program. The Working Group is composed of Aaran 1 representatives from Research & Development, Operations, Legal, and Internal Audit.

Annual Deliverables

1. File Form SD with SEC
2. File CMR (if applicable) with SEC
3. Review and update of Conflict Minerals Policy on Aaran 1’s website, if necessary
4. Review and update of this Conflict Minerals SOP, if necessary

Conflict Minerals Policy

Aaran 1 has adopted a Conflict Minerals Policy that summarizes its expectations for in-scope suppliers. Aaran 1’s Conflict Minerals Policy can be found at: <http://www.Aaran 1.com/English/About-Us/Corporate-Governance/default.aspx>.

Annual Review: Managing Director will review Aaran 1’s Conflict Minerals Policy on an annual basis.

Policy Revisions: Managing Director must approve all revisions and/or amendments to Aaran 1’s Conflict Minerals Policy.

Customer Inquiries & Grievance Mechanisms

Customer inquiries relating to Conflict Minerals should be relayed to members of the Working Group. The Working Group should first direct customers to Aaran 1’s Conflict Minerals Policy on the external website. If customers are not satisfied with the information found on the external website, inquiries are to be forwarded to conflict.minerals@Aaran 1.com.

If any person or a third party representative has a complaint or concern regarding any conduct relating to Aaran 1’s Conflict Minerals accounting, disclosures, internal accounting controls or auditing matters, they should report it to naveen.ms@aarane1engineering.com

Data Repository and Organization

Records related to Aaran 1's Conflict Minerals program are centrally stored on box.com and are uploaded and maintained by the Operations Department.

The Form SD, CMR, and Conflict Minerals Policy are posted and made public on Aaran 1's corporate website and are uploaded by the IT Department and maintained by the IT and Legal Departments.

Training

Members of the Working Group will attend internal meetings and live training (as appropriate) to stay apprised of Conflict Mineral Rules updates and requirements.

SECTION IV – CONFLICT MINERAL RULES COMPLIANCE PROCESSES**Determination of In-Scope Products**

On an annual basis, the Research & Development and Operations Departments will collaborate to determine (1) which of Aaran 1's products contain 3TG Minerals ("In-Scope Products") and (2) the Aaran 1 supplier for each In-Scope Product part identified. The Research and Development and Operations Department will compile this information in a spreadsheet and upload it to box.com.

Reasonable Country of Origin Inquiry ("RCOI")

Each year, the Operations Department will download the most recently-published Conflict-Free Sourcing Initiative's ("CFSI") Conflict Minerals Reporting Template ("CMRT") off of CFSI's website (<http://www.conflictreesourcing.org/conflict-minerals-reporting-template>). The Operations Department will send each supplier that supplies Aaran 1 with a product part containing 3TG Minerals (1) an RCOI letter request and (2) a blank CMRT. The Operations Department will upload and track RCOI letters and CMRT files on box.com.

Sourcing/Chain of Custody Due Diligence**PROCESS**

The Operations Department will review each supplier RCOI response for consistency and completeness and will take appropriate next steps as identified below:

- If a supplier responds with a completed CMRT, and the Operations Department determines that it is consistent, complete, and does not raise quality concerns, it will upload the completed CMRT file to box.com.
- If a supplier responds with an inconsistent or incomplete CMRT or with statements that trigger quality concerns, the Operations Department will promptly follow up with the supplier regarding its response, and will request additional information from the supplier.
 - If the supplier does not respond with the requested information, in a timely manner, the Operations Department will promptly alert the Conflict Minerals Lead and/or Executive Sponsor.
- If a supplier does not respond to the first RCOI request in a timely manner, the Operations Department will send the supplier a second request, with a copy of Aaran 1's Conflict Minerals Policy, a copy of the OECD Guidelines, and a notice that Aaran 1 is available to answer questions the supplier may have about the development of an effective conflict minerals compliance program.

- If the supplier does not respond with the requested information, in a timely manner, the Operations Department will promptly alert the Conflict Minerals Lead and/or Executive Sponsor.

ESCALATION/CORRECTIVE ACTION PROCESS

The Conflict Minerals Lead, at the direction of the Executive Sponsor, will follow up with suppliers that (1) do not respond to the Operations Department's second RCOI request; (2) provide incomplete responses and refuse to provide all of the information requested in the RCOI and CMRT; and/or (3) provide responses that trigger quality concerns and refuse to provide the additional information requested by the Operations Department.

If, at any time throughout this process, the Operations Department is unclear on the best course of action, it should confer with the Conflict Minerals Lead to determine what action to take.

If cases of non-compliance are not resolved in a timely manner, the Working Group will make the decision whether to eliminate such supplier from Aaran 1's supply chain.

Discussions with Research & Development

The Conflict Minerals Lead will periodically reach out to the Research & Development Department to discuss how conflict minerals compliance is being considered as part of ongoing Research & Development processes.

Form SD & CMR

The process for drafting, certifying, and reporting the Form SD and CMR (if applicable) will be as follows:

1. The Operations and Legal Departments will meet to discuss the results and findings of Aaran 1's due diligence efforts.
2. If the Executive Sponsor requires, the Internal Audit Department will perform an audit of the Conflict Minerals Program and findings.
3. If required by the Conflict Mineral Rules, an external, independent audit firm will perform an IPSA on Aaran 1's Conflict Minerals Program and findings.
4. The Legal Department will draft the Form SD and CMR.
5. The Working Group will review the findings, the Form SD, and the CMR.
6. The Executive Sponsor will certify the Form SD and CMR.
7. The Legal Department will file the Form SD and CMR with the SEC by May 31st.
8. The IT Department will upload the Form SD and CMR to Aaran 1's corporate website by May 31st.

SECTION V – FURTHER INFORMATION

[Dodd-Frank Act](#)

[SEC Final Rule](#)

[SEC "Fact Sheet: Disclosing the Use of Conflict Minerals"](#)

[OECD Guidance](#)

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