

PANEL SPECIALISTS, INC.

Conflict Minerals Sourcing Policy

The Dodd-Frank Wall Street Reform and Protection Act of 2010 (the Dodd-Frank Act) requires that U.S. publicly traded companies report to the United States Securities and Exchange Commission certain information related to the use in products of: Columbite-Tantalite (Coltan), Cassiterite, Wolframite (from which Tantalum, Tin and Tungsten are commonly derived) and Gold. Additional reporting and due diligence is required if the minerals listed above originated from mines or smelters in the Democratic Republic of the Congo, Angola, Burundi, Central African Republic, Congo, Rwanda, South Sudan, Tanzania, Uganda or Zambia.

“Conflict Minerals” originating from the Democratic Republic of Congo (DRC) are sometimes mined and sold, “under the control of armed groups,” to “finance conflict characterized by extreme levels of violence.” Some of these minerals can make their way into the supply chains of products used around the world, including those in the furniture manufacturing industry. Through the conduct of due diligence, PSI aspires to better understand the origins of all materials within our multi-tiered supply chain and to ensure that the purchase of any raw materials ultimately used in our products, does not fund and support rebel or terroristic groups, or any activity that violates Section 1502 of the Dodd-Frank Act.

In order to fulfill obligations set forth by the Securities and Exchange Commission, PSI is notifying all suppliers of the Dodd-Frank Act requirements and expects all suppliers who conduct business with PSI to commit to the EICC Code of Conduct (<http://www.eiccoalition.org/standards/code-of-conduct/>), which includes a provision related to the responsible sourcing of minerals. In addition, our suppliers must ensure that all parts used to manufacture products supplied to PSI originated from certified conflict-free smelters according to the Conflict Free Sourcing Initiative. PSI expects suppliers to establish their own due diligence program to ensure conflict-free supply chains. By working together, PSI and its suppliers will demonstrate a commitment to the responsible sourcing of “conflict minerals” throughout our supply chain, comply with the underlying SEC rules and regulations surrounding “conflict minerals,” and most importantly, aid in the humanitarian goal of ending violence in the DRC and surrounding countries.

We ask all of our vendors to cooperate with us as we comply with these provisions, and we are committed to our customer’s efforts to do the same. Together, we can ensure a socially and environmentally responsible supply chain.

Thank you for your support. If you have any questions, please contact:

Conflict.minerals@panelspec.com

Sincerely,

Elliot A. Germany
President and Chief Executive Officer