

DATE: 01/01/16

From: Kent Phillips, President

Subject: SLM's Conflict Minerals Policy Statement

Lidgerwood Manufacturing Company and its subsidiaries, Superior Lidgerwood Mundy Corporation, M. T. Davidson Company, and Dutchess Bakers Machinery Company (hereafter known collectively as SLM), are committed to sourcing components and materials from companies that share our values regarding human rights, ethics and environmental responsibility. We support ending the violence and human rights violations in the mining of certain minerals from a location described as the "Conflict Region," which is situated in the eastern portion of the Democratic Republic of the Congo (DRC) and surrounding countries.

In August of 2012 the US Securities and Exchange Commission (SEC) issued the final "Conflict Minerals" rule under the Dodd-Frank Wall Street Reform and Consumer Protection Act, Section 1502. This rule requires companies regulated by the SEC to report annually on the presences of conflict minerals (gold, cassiterite, columbite-tantalite, and wolframite and their derivatives: tin, tungsten and tantalum) originating in the Democratic Republic of the Congo or adjoining countries. SLM is fully committed to establishing systems to ensure our compliance with the Dodd-Frank legislation.

As a private company Lidgerwood Manufacturing Co. and its subsidiaries do not have any reporting obligations to the Government under this rule. However, we recognize that as our equipment and products enter the supply chain there may be customers for our products who do have reporting obligations. In support of those specific customers' orders we have implemented a time phased Conflict Minerals Policy, which includes:

- Committing to the goal of meeting the requirements of the Conflict Mineral Law.
- Striving to source components and materials from companies that share our values regarding human rights, ethics and environmental responsibility. Including working toward procurement of conflict minerals from only DRC Conflict-free sources, i.e.: are conflict-free from the covered countries, not sourced from the covered countries, or sourced from scrap or recycled sources.
- Encouraging our suppliers to implement a similar commitment to procuring conflict minerals from DRC conflict-free sources.
- Undertaking reasonable due diligence measures to identify materials and components used in our products that may contain conflict minerals.
- When requested by our customers, undertaking reasonable due diligence country of origin inquiries with suppliers of materials and components that are likely to contain conflict minerals.
- Requesting our suppliers use the Conflict Minerals Reporting Template as the standard method of responding to our inquiries.
- Reporting the results of our due diligence country of origin inquiries as they pertain to a specific customer's order when requested to do so in a timely manner.

SLM is fully committed to procuring conflict minerals that are DRC conflict-free sources and the ongoing due diligence required to do so. We may reconsider our willingness to partner with suppliers that fail to comply with this policy.

I ask each of you to take this matter very seriously and support me in this effort.