

Rare Earth Element statement

Rare Earth Elements (REEs) consist of 17 metallic elements that have unique properties, such as high heat resistance, strong magnetism, high electrical conductivity, and high luster. These functional properties make REEs well suited for use in production of clean energy, electric vehicles, consumer electronics, national defence and more. REEs demand is expected to rise rapidly as they become increasingly important in the decarbonizing of global economy. Below is a reference to the group of elements noted as rare earth.

Light Rare Earth Elements	Heavy Rare Earth Elements
Scandium	Gadolinium
Yttrium	Terbium
Lanthanum	Dysprosium
Cerium	Holmium
Praseodymium	Erbium
Neodymium	Thulium
Promethium	Ytterbium
Samarium	Lutetium
Europium	

REEs are relatively abundant in the earth's crust but they are known to exist in a limited number of geographic areas and are difficult to mine economically in exploitable quantities. China since early 1990's has been the major low-cost producer and exporter of REEs, which accounted for more than 90 percent of global supply. XP Power understands customers' concern about potential supply disruption and price increase if trade restrictions of certain regional REE were put in place.

XP Power has established internal REE program to identify components produced with REE and review REE impact to the delivery of our products. XP Power will survey material suppliers and provide information regarding potential REE impact to products XP Power produces for customer upon customer request. Because of sufficient existing supply chain, alternative sourcing and low risk material availability within our manufacturing and supply chain, XP Power has determined that the use of components produced with REE has low risk to impact production and supply of product to customers.

Signed:



Gavin Griggs
Chief Executive Officer

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