Conflict Minerals Policy

Proeon Systems is fully committed to the responsible sourcing of Conflict Minerals (Tin, Tantalum, Tungsten and Gold, or "3T&G") from the Democratic Republic of the Congo (DRC) and adjoining countries. In accordance with provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, the US Securities and Exchange Commission (SEC) has adopted rules that require companies to provide certain disclosures if any products they manufacture or contract to manufacture contain Conflict Minerals that are necessary to the functionality or production of those products.

Proeon Systems supports the objectives of the SEC rules and will perform due diligence in order to avoid the use of 3T&G that have funded armed groups in the DRC region. Proeon Systems actively engages with suppliers and requires cooperation to ensure that due diligence is carried out with respect to the source of 3T&G in to ensure that Conflict Minerals are not used in materials and equipment supplied to Proeon Systems.

Proeon Systems Commitment:

- Fully support the objectives of the US legislation and SEC rules on the supply of Conflict Minerals
- Not knowingly procure or supply products or materials that contain 3T&G that fund conflict in the DRC region
- Require our supply chain to perform due diligence and to provide written evidence documenting that the materials used in products or materials supplied to us are Conflict Free

Proeon Systems Expectations of Suppliers:

- Supply Conflict Free material, which means either:
    - Any 3T&G necessary to the functionality or production of supplied materials must not directly or indirectly fund armed groups in the DRC or adjoining countries
    - Any 3T&G in supplied materials must be from recycled or scrap sources
- Adopt conflict minerals policies. Suppliers must adopt a policy regarding conflict minerals that facilitates compliance with this policy, implement management systems to support compliance with these policies and require their suppliers to take the same steps.
- Collect information from their suppliers regarding the source and chain of custody of any 3T&G in supplied materials, and cooperate with Proeon and our customer inquiries regarding conflict minerals in supplied materials.

If it is discovered that one or more of our suppliers are providing non-conflict free material, Proeon Systems will take appropriate actions to transition the product to be Conflict Free.

Kevin Magee
Managing Director – Proeon Systems Ltd.

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