

PILOTWORKS SYSTEMS PTE LTD CONFLICT MINERALS SOURCING POLICY

Background

Section 1502 of the Dodd-Frank Act requires publicly-traded companies subject to SEC regulation to report the presence of certain "conflict materials" in their products that originate from the Democratic Republic of the Congo (DRC) or adjoining countries.

The term "conflict minerals" refer to columbite-tantalite, cassiterite, wolframite, and gold, or derivatives which are limited to tantalum, tin, tungsten, and gold (3TGs).

This legislation was based on concerns that proceeds from some mining operations in this area have been used to fund violence and terror.

PilotWorks Systems supports the humanitarian goals of conflict minerals legislation.

However, PilotWorks Systems is neither a publicly-traded company, nor is subject to SEC regulation, and is therefore not subject to conflict minerals reporting requirements.

PilotWorks Systems Commitment

Even though PilotWorks Systems is not subject to this legislation, many of our customers are, including many OEM and volume customers.

PilotWorks is therefore committed to working with these customers to help them comply with their conflict minerals reporting requirements.

We have adopted the Conflict-Free Sourcing Initiative's (CFSI's) free Conflict Minerals Reporting Template (CMRT) for conducting surveys of its manufactured products and related components.

Surveys are distributed to all suppliers of materials and components used in the manufacturing of specific products.

The "master" CMRT is updated with each new revision of the template, and when new survey information is received from suppliers. This process will continue on an annual basis.

Requirements for Our Suppliers

Our suppliers are expected to provide materials and components that are conflict free, which means either:

- 1) any 3TGs necessary to the functionality or production of supplied materials must not directly or indirectly fund armed conflict in the DRC or adjoining countries, or
- 2) any 3TGs must be from recycled or scrap sources.

We understand the cost of conflict minerals reporting compliance can be high, especially for small manufacturers like us.

However, we expect our suppliers to use due diligence by distributing the CMRT survey upstream to their suppliers until the appropriate smelter/refinery is identified.

Once identified, this information must be passed back down through the supply chain to PilotWorks' direct supplier so they can complete their CMRT and convey it to PilotWorks in electronic format.



Sign: Jeremy Lee

Designation: Manager

17/04/2018

Date: