



Conflict Minerals Policy Statement

On 21st July 2010 President Obama signed into US law the Dodd-Frank Wall Street Reform and Consumer Protection Act. Section 1502 of the act requires US publicly traded companies to disclose the extent to which their products contain conflict minerals.

Conflict minerals refers to minerals mined in conditions of armed conflict and human rights abuses, notably in the eastern provinces of the Democratic Republic of the Congo (DRC) and surrounding countries. The most commonly mined minerals are cassiterite (used to produce tin), wolframite (used to produce tungsten), coltan (used to produce tantalum), and gold (<http://www.sec.gov/rules/final/2012/34-67716.pdf>).

Certain items supplied by the Paragon Group to our customer's instructions use articles which contain metals listed in the legislation as conflict minerals.

Tin: Commonly used in the manufacturing of PCBA's and BGA's and lead finish on electronic components.

Gold: Commonly used as a plating finish on PCB's, connectors and switch contacts. Also used for wire bonding within electronic components.

Tantalum: used in the fabrication of electronic components especially capacitors.

Tungsten: used in the fabrication of electronic & electrical components and hard metal alloys

Paragon Electronics Ltd and its subsidiaries are committed to sourcing components and materials from companies that share our values around human rights, ethics and environmental responsibility. However global mechanisms to support the legislation have not been fully developed or deployed.

Paragon Electronics Ltd and its subsidiaries are monitoring the status of conflict minerals with the intent of supporting customers by implementing due diligence and compliant processes once the required infrastructure and regulations become available.

Chris Johnson

Executive Chairman