Conflict Minerals Policy

I. INTRODUCTION

The Securities and Exchange Commission ("SEC") adopted final rules in August 2012 regarding disclosure and reporting requirements with respect to the use of "conflict minerals" to implement Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act"). The rules require public companies such as Stem to perform supply chain due diligence and disclose annually whether certain products they manufacture or contract to manufacture contain conflict minerals originating from the "covered countries" that are necessary to the functionality or production of those products.

Definitions

The term "covered countries" means the Democratic Republic of the Congo (the "DRC") and its adjoining countries. "Conflict minerals" means tin (cassiterite), tungsten (wolframite), tantalum (columbite tantalite or coltan), gold, or their derivatives, which originate in the covered countries.

Stem recognizes that there are serious human rights abuses associated with the extraction, transportation and trade of minerals in the covered countries. We support the responsible sourcing of materials from suppliers that share our values, and we commit to avoid contributing to the conflict through our sourcing activity.

As expressed in our Partner Code of Conduct, Stem does not tolerate corruption of any kind in dealings with its suppliers. We expect our suppliers to act in a socially responsible and ethical manner, and to comply with all applicable federal, state, and local laws and regulations throughout their operations. Below is our position statement regarding conflict minerals to supplement our Partner Code of Conduct.

II. POSITION STATEMENT ON CONFLICT MINERALS

Stem is committed to purchase parts and products containing minerals that have been procured through a validated conflict-free supply chain to avoid the use of minerals that have financed conflict in the covered countries, and we expect our suppliers to abide by the same standard.

Stem is taking a variety of actions designed to assist in compliance with the conflict minerals rules:

- we have identified, and will continue to identify, conflict minerals necessary for the production or the functionality of covered products that we sell;
- we have performed, and intend to continue to perform, supply chain due diligence in general accordance with the Organization for Economic Cooperation and Development’s (“OECD”) internationally recognized and established due diligence framework;
- we expect our direct suppliers to perform similar due diligence on the sources of conflict minerals in their supply chains and expect them to require their own suppliers to do the same;
- once a robust and validated conflict-free supply chain is established or a robust mineral tracing program is developed, we will expect our direct suppliers to procure minerals using only that validated supply chain so as to avoid the use of minerals that have financed conflict in the covered countries; and
- in the event that a direct supplier is found to supply us with necessary conflict minerals that have not been procured through a validated supply chain or that are otherwise found to have financed conflict, we will take action, such as recommending that such supplier seek alternative means of sourcing, or failing that, we will reassess the supplier relationship.

We will periodically review our Conflict Minerals Policy to ensure ongoing suitability in addition to our suppliers' basic obligations to comply with our standards.

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