



Frequently Asked Questions Regarding Conflict Minerals & the Snap-on Supplier Survey for the Entire 2013 Calendar Year

GENERAL BACKGROUND:

1. *What are conflict minerals?*

On August 22, 2012, the US Securities and Exchange Commission (the “SEC”) released final rules relating to Section 1502(b) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (“Dodd-Frank”) that require all public companies to annually disclose and report to the SEC whether any of their products contain minerals (Tin, Tantalum, Tungsten and Gold, so called “3TG” or “conflict minerals”) that may have originated from mines in the Democratic Republic of Congo (DRC) or one of its nine bordering nations (covered countries) that may directly or indirectly support/finance armed militias or rebels in the region.

The covered countries are: Democratic Republic of Congo, the Republic of Congo, Central African Republic, South Sudan, Uganda, Rwanda, Burundi, Tanzania, Zambia and Angola.

2. *Why are they a concern?*

The belief is that the funds from mining these minerals in the region could be funding the militia groups and thus fueling violence in Africa.

The Dodd-Frank Section 1502 rules direct SEC-listed companies, such as Snap-on, to disclose annually whether any of its products contain conflict minerals that originated in the covered countries.

3. *What is required?*

Complying with the rule is a requirement for Snap-on – no different than filing Form 8-Ks or other annual or periodic reports required by the SEC. Failure to comply is a risk management and governance consideration, including drawing the attention of the SEC, NGO (Nongovernmental Organizations) or shareholders.

We need your help to determine if any conflict minerals are used in the making of Snap-on products, and their origin, for products supplied to us during the entire 2013 calendar year (and annually thereafter). Snap-on is conducting, through its direct suppliers, a Reasonable Country of Origin Inquiry (RCOI) to attempt to determine the source of any conflict minerals contained in any of Snap-on’s products.

4. *Is the Dodd-Frank Conflict Minerals Rule the same as other conflict minerals standards that exist?*

No, the US Dodd-Frank Conflict Minerals rule is the only one that is a regulation. However the Dodd-Frank Conflict Minerals rule does follow the Organization for Economic Cooperation and Development (OECD) Conflict Minerals framework.

5. Is there any provision in the rules if a supplier will not provide the requested information?

Transparency to the Reasonable Country of Origin Inquiry (RCOI) process is important. If a supplier does not know for certainty the origin or quantity of the minerals, it is essential to communicate that to Snap-on during the RCOI process.

SNAP-ON SURVEY QUESTION #1:

6. Is there a minimum quantity of 3TG that must remain in the product to qualify for Dodd-Frank evaluation?

There is no minimum quantity threshold in the Dodd-Frank rules. Even a slight trace of the conflict mineral(s) has to be evaluated during the RCOI process and potentially reported.

SNAP-ON SURVEY QUESTION #2:

7. What is a Processing-Aid?

For purposes of Dodd-Frank, a processing-aid is a 3TG ingredient that does not remain in the final product (e.g., a catalyst) and is necessary for the manufacturing process, but not the functionality of the final product.

SNAP-ON SURVEY QUESTION #3:

8. If 100% of the conflict minerals originate from recycled or scrap materials, what does Snap-on require?

Recycled and scrap materials are exempt from the Dodd-Frank rule. However, as part of the "good faith" inquiry process required in Section 1502, Snap-on requests its suppliers to apply reasonable effort to confirm that any conflict mineral(s) contained in our products originate from 100% recycled or scrap materials.

ADDITIONAL INFORMATION RELATIVE TO PART II OF THE SNAP-ON SURVEY:

9. Does Snap-on require suppliers to conduct a 3TG assessment on a product-by-product basis, or can a supplier provide information on a product family or other higher level?

The scope of the rule extends to products where conflict minerals are necessary to the functionality or production of the product manufactured or contracted to be manufactured. The scope of the rule extends to individual products. As a result, Snap-on must be prepared to report the results of our efforts on a product-by-product basis. Snap-on, therefore, needs its suppliers to report on a product-by-product basis.

10. Can Snap-on simply file its 3TG origin or content as "undeterminable" and be compliant?

The disclosure requirements preclude Snap-on from simply deciding to report to the SEC that the presence or origin of these minerals is "undeterminable" without conducting a reasonable level of due diligence.

Snap-on expects its Tier 1 suppliers and those suppliers where additional sub-suppliers inquiry would be necessary for Snap-on to reasonably rely upon any such representations, to have a confident understanding of the source of any 3TG minerals contained in any of the products such supplier provides to Snap-on.

11. What is considered an acceptable level of due diligence from an audit perspective?

Snap-on has developed and documented due diligence procedures that are capable of being audited. Suppliers that are also directly subject to the SEC rule, will have to separately undertake a similar effort on their own behalf.

12. If Snap-on needs to audit its RCOI or other aspects of its Conflict Minerals Program, can the audit be conducted by auditors that are internal to Snap-on?

No. The SEC rule requires that the Snap-on Conflict Minerals Report to the SEC is subject to an independent, private sector audit. In the event such auditing is deemed necessary, auditor(s) will be selected and our direct suppliers may be included in our audit efforts.

13. What will be required if the RCOI shows that the Dodd-Frank rule does not apply to Snap-on?

The rule does not expressly require Snap-on and its suppliers to retain reviewable business records related to the RCOI efforts, but it does say that maintenance of appropriate records may be useful in demonstrating compliance with the rule (e.g., to complete the RCOI process, or for an audit).

As a result, Snap-on has documented its RCOI process. In some cases, support for our conclusions will need to include supplier-based information. In addition, we have developed next steps to our analysis as part of our overall compliance processes. Snap-on is required to submit a Specialty Disclosure (SD) Form report to the SEC that represents the 3TG supply chain of the products we make and the products we have made for us.

14. When does Snap-on have to file the first SD Form report?

The first SD Form Report is due on May 31, 2014, for the products sourced in the 2013 calendar year.

This Snap-on RCOI Supplier Survey is to understand, for the entire 2013 calendar year: (i) the supplier products that are free of any conflict minerals content; (ii) the supplier products using conflict minerals that are 100% from recycled or scrap material sources; and (iii) the supplier products using conflict minerals from covered countries (if any).