SNAINC1C

**Conflict Minerals Frequently Asked Questions**

1. *What are conflict minerals?*

Products containing the minerals Tin, Tantalum, Tungsten or Gold (“3TG”) 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 (so called “conflict minerals”).

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

1. *Why are they a concern?*

The belief is that the funds from mining these minerals in the region could be funding armed groups and thus fueling violence in Africa. The U.S. Conflict Minerals Rules are intended to reduce the possible funding of armed groups engaged in regional conflict and human rights abuses in the DRC region by mandating disclosure requirements on the use and source of the specified 3TG minerals.

1. *Is Snap-on subject to the Conflict Minerals Rule?*

Yes. 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.

Snap-on must file its conflict minerals disclosure by May 31, 2017, with respect to the 2016 calendar year.

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

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

1. *I am a small company and do not have the resources to comply. Do I need to comply?*

Yes, you need to comply; we unfortunately cannot make exceptions for small businesses.

1. *My company is not required to file a report to the SEC. Do I need to comply?*

Yes. Many of our suppliers are not publicly traded companies (either domestic or foreign) and they do not need to file a report to the SEC. Snap-on, however, is required to file a report to the SEC and has updated its contractual language in its Purchase Order (P.O.) Terms and Conditions to incorporate the Conflict Minerals requirements. Our P.O. Terms and Conditions can be viewed at:

<https://www1.snapon.com/corporate/suppliers/business/contracts.nws>

1. *I am a distributor, not a manufacturer or Original Equipment Manufacturer (OEM). Do I need to comply?*

Yes. This requirement is for all Snap-on suppliers, including distributors.

1. *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) survey process is essential. Every supplier (public, private, distributor or non-U.S.) must follow-up with its suppliers to determine the country of origin of any products or raw material that contain 3TG minerals. If a supplier does not know for certain, or is unsure of, the origin or quantity of the covered minerals, it is essential to communicate that to Snap-on during the RCOI survey process.

1. *What is required?*

Snap-on is conducting, through its direct suppliers, a Reasonable Country of Origin Inquiry (RCOI) to determine the source of any conflict minerals contained in any of Snap-on’s products. We need you to determine if any conflict minerals were used in the making of products and/or raw materials supplied to Snap-on during the entire 2016 calendar year. If conflict minerals were used in the making of such products and/or raw materials, you need to also advise, to the best of your ability, the country of origin of such products and/or raw materials.

The Snap-on RCOI Supplier Survey is to identify, for the entire 2016 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).

1. *Is there a minimum quantity of 3TG minerals 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 survey process and potentially reported.

1. *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 requires its suppliers to apply reasonable effort to confirm if any conflict mineral(s) contained in our products originate from 100% recycled or scrap materials.

1. *Does Snap-on require suppliers to conduct a 3TG minerals 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 (excluding in-process 3TGs, such as processing-aids, catalysts, reactants, manufacturing equipment, and tooling). Snap-on, therefore, needs its suppliers to conduct a 3TG assessment on a product-by-product basis.

* Verify whether your company’s products contain conflict minerals (3TG) and determine whether you have sold or are selling those products to Snap-on.
* Identify which of your suppliers deliver components related to the products referenced above that contain conflict minerals.
* Review your upstream supply chain in order to understand the sources of conflict minerals contained in your products and, if necessary, obtain from your suppliers the information needed for you to accurately and completely respond to our RCOI Supplier Survey.

1. *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. All suppliers directly subject to the U.S. Conflict Minerals Rule will have to separately undertake a similar effort on their behalf.

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

No. In the event such auditing is required, independent outside auditor(s) will be selected as required by the Conflict Minerals Rule.

1. **What does “DRC Conflict Free” mean?**

“DRC Conflict Free” means that the 3TG minerals contained in a product did not directly or indirectly finance or benefit armed groups in the DRC, Angola, Burundi, Central African Republic, Cong**o** Republic, Rwanda, Sudan, Tanzania, Uganda and Zambia.

“DRC Conflict Free” may also be used to describe products containing 3TG minerals from recycled or scrap sources.

1. **What does “Not Conflict Free” mean?**

“Not Conflict Free” means that the 3TG minerals contained in a product originated in the DRC or adjoining country, AND financed or benefited armed groups.