

December 14, 2011

Subject – California Transparency in Supply Chains Act of 2010 (SB 657)

The following disclosures are made as required by the provisions of the California Transparency in Supply Chains Act of 2010 (SB 657).

Since 1920, Snap-on has focused on serving customers, associates, investors, franchisees, suppliers and the communities where it does business. Guided by the core beliefs and values as laid out in Snap-on's "Who We Are" statement, Snap-on's commitments to integrity and social responsibility extend to its worldwide supply base. To ensure that Snap-on's suppliers, regardless of location, conduct business to Snap-on standards, all must adhere to Snap-on's Supplier Code of Business Conduct (the "Code of Conduct").

The Code of Conduct establishes standards to ensure that working conditions in its supply chain are safe, that workers are treated with respect and dignity, and that business operations are environmentally responsible. It is mailed to the majority of the global suppliers doing business with Snap-on Incorporated annually. ***The complete Code of Conduct can be found at: <http://www1.snapon.com/display/conduct.nws>***

The Code of Conduct provides, in part:

1. Suppliers will not engage in, or support the use of child labor, complying with all applicable local child labor laws and employing only workers who meet the applicable minimum legal age requirement for their location.
2. Suppliers will not engage in or support the use of forced or involuntary labor. Suppliers will treat their employees with dignity and respect, and not allow or overlook any form of harassment, complying with all applicable local laws.
3. Suppliers using sub-contractors to provide goods and services to Snap-on will also be responsible for the sub-contracted party for compliance with this Code of Conduct.
4. Snap-on reserves the right to monitor Supplier compliance with this Code of Conduct. In the case of non-conformance, Snap-on expects the supplier to put clear and trustworthy action plans in place to comply with the code. While we commit to work with suppliers to improve workplace conditions, we maintain the right to terminate our relationship, without liability to Snap-on, with suppliers that have repeated violations or refuse to rectify deficiencies.

Snap-on also notes the following:

- **Supplier agreements** - Snap-on has "Supplier Agreements" and "Purchase Order Terms and Conditions" in place with all key direct suppliers and ODM (original design and manufacturing) suppliers, requiring them to comply with international standards and applicable laws and regulations regarding forced labor and child labor as specified in the Code of Conduct.; however, Snap-on does not have a verification program in place within its supply chain with respect to these matters. Snap-on also does not perform supplier audits with respect to its suppliers' contractual obligations in this area, although as noted in the Code of Conduct, Snap-on has the right to do so at its discretion. Snap-on does not formally require a certification that its suppliers are in compliance with the Code of Conduct; however, a supplier's failure to comply with the Code of Conduct would constitute a breach of the supplier's contractual obligations.
- **Purchasing professionals training** - Snap-on trains its employees and management responsible for supply chain management on the requirements and how to respond to supply chain issues, such as forced labor or child labor, on an annual basis. Snap-on has a Code of Business Conduct and Ethics and requires all Snap-on employees and contractors to comply with the "Snap-on Integrity Principles", which can be found at <http://www1.snapon.com/corporate/codeofconduct.nws>. The Snap-on Integrity Principles include provisions aimed to ensure that child, prison, and forced labor are not permitted at any Snap-on business partner or supplier operation.

For convenience, "California Transparency in Supply Chains Act of 2010" compliance declaration is available from Snap-on on the www.snapon.com website. For any additional information, please contact Snap-on at 800-786-6600 or Snap-on's Vice President, General Counsel and Secretary at: P.O. Box 1410, Kenosha, WI USA, 53141-1410.