

Conflict Minerals Review

In order to enhance the efficient implementation of the Conflict Minerals Policy, Amiad initiated a management program to implement during the upcoming years, aiming to fulfill the following components:

- ✓ Cross Discipline Regulation Team responsible for coordination of different tasks implemented by the program;
- ✓ Implementation of working procedures to implement Conflict Minerals inquiries;
- ✓ Improvement of Amiad's data management ability to trace components throughout procurement, production and marketing processes;
- ✓ Supply chain engagement to enhance awareness and risk management.

The program is headed by a member of Amiad's management, VP Quality, and includes representatives from all relevant departments.

Activity during 2015

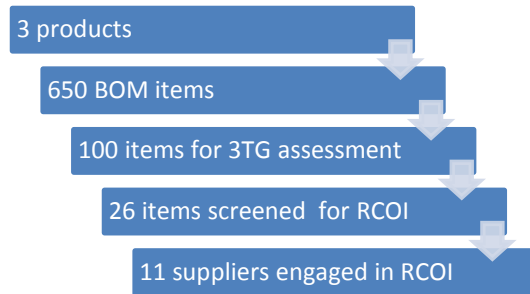
In 2015 Amiad set and achieved the following goals using "OECD Due Diligence Guidance for Responsible Supply Chains" risk-based approach:

1. Approved a Corporate Conflict Minerals Policy
2. Prepared a Conflict Minerals Requirement Statement for the supply chain and prepared a contract supplement for the procurement processes
3. Characterized Conflict Minerals parameters to create traceability in the PLM (Product Lifecycle Management) IT system
4. Established a Cross Discipline Regulation Team, assigned Roles and Responsibilities between team members and drafted Standards of Operation for initiation of Conflict Minerals inquiry process
5. Amiad performed assessment studies for three of its major products which represent the full range of Amiad's technology and production variety:
 - ✓ OMEGA 2E (catalog number: 046109-000010)
 - ✓ 4" GALAXY (catalog number: 112021-000822)
 - ✓ SAF 4500 (catalog number: 041015-000024)

During the assessment of each product Amiad implemented the following methodological phases:

1. **Identification and scoping** based on Bill of Materials (BOM) analysis and screening internally modified components.

2. **Screening** "Control over manufacturing and/or production" in order to narrow the analysis to BOM items including Amiad's specifications.
3. **Assessment** of "Intentionally added and necessary to the functionality" items present in the finished product.
4. **Reasonable Country of Origin Inquiry (RCOI) engagement** with focused list of suppliers potentially having 3TG items.



Amiad will annually communicate Conflict Minerals updates to its stakeholders in the future.

For CM related inquiries, please contact: QA@amiad.com

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