



TWIN DISC, INCORPORATED

CONFLICT MINERALS POLICY

Introduction to the Conflict Minerals Rule

On August 22, 2012, the U.S. Securities and Exchange Commission approved the final rule on conflict minerals with the desired objective of ending human-rights atrocities and the financing of armed conflict in the Democratic Republic of the Congo (DRC) and adjoining countries. The conflict minerals rule requires all public companies, like Twin Disc, to determine whether tin, tantalum, tungsten, gold, and their related derivatives (Conflict Minerals) are necessary to the functionality or production of products they manufacture or contract to manufacture, and, if so, whether such Conflict Minerals originated from the DRC or adjoining countries. While the burden of the rule's inquiry and disclosure obligations rests with public companies, all members within the supply chain network of each public company are also impacted.

What Twin Disc is Doing

As a responsible global corporate citizen, Twin Disc is committed to promoting human rights in the DRC and adjoining countries. To accomplish these objectives, Twin Disc will:

- Gather information from its suppliers aimed at identifying the source of any Conflict Minerals in the products Twin Disc manufactures or contracts to manufacture.
- Enhance Twin Disc's supply chain due diligence measures, which will conform to a due diligence framework consistent with the *OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas* or other nationally or internationally recognized framework.
- Comply with the requirements of the SEC's conflict minerals rule.

Twin Disc's Expectations for Suppliers

To ensure compliance with Twin Disc's conflict minerals policy, Twin Disc expects each of its suppliers to:

- Make reasonable inquiries as to the country of origin of any Conflict Minerals in products it delivers to Twin Disc and require the same of all upstream suppliers.

- Conduct due diligence to confirm whether Conflict Minerals were sourced from a conflict-free source.
- Thoroughly document its due diligence efforts to determine that any materials and products containing Conflict Minerals are DRC conflict free.
- Timely, completely, and accurately respond to Twin Disc's Conflict Minerals Country of Origin Questionnaire and any follow-up inquiries from Twin Disc.

Twin Disc evaluates its relationships with its suppliers on an ongoing basis. In the event Twin Disc determines that a supplier has failed to comply with the requirements of this conflict minerals policy, Twin Disc reserves the right to take appropriate action(s) to address the noncompliance, which may include discontinuing Twin Disc's business relationship with such supplier.

Comments or Questions

Any comments, questions, or concerns regarding Twin Disc's conflict minerals policy should be addressed to: Michael Kienast, Director of Global Compliance and Internal Audit, Twin Disc, Incorporated; kienast.michael@twindisc.com.

Adopted: May 28, 2015