

APPLIED[®] CONFLICT MINERALS STATEMENT

In 2010, the Dodd-Frank Wall Street Reform and Consumer Protection Act was signed into law. The Dodd-Frank Act and related U.S. Securities and Exchange Commission (SEC) rules mandate assessment and reporting requirements for public companies to disclose the extent to which the products they manufacture or contract to manufacture contain so called conflict minerals -- tin, tantalum, tungsten and gold, sourced from mines in the Democratic Republic of the Congo or adjoining countries.

Applied is committed to helping our customers comply with the reporting requirements, where applicable.

Applied distributes over five million products from more than 4,000 leading industrial product manufacturer-suppliers. Our products are predominantly used in industrial MRO operations, rather than OEM applications, and therefore are typically not within the rule's scope. While we cannot certify to the contents of all the five million products we distribute, we integrate conflict minerals compliance into our supply chain management processes as described below.

COMMUNICATION TO SUPPLIERS

We are in contact with our primary manufacturer-suppliers about the rule and have requested they provide certification about the existence and origin of conflict minerals in their products. Applied encourages suppliers to provide documentation to regulatorycompliance@applied.com confirming possible existence and origin of conflict minerals in their products provided to Applied. If we discover inaccurate information, incomplete documentation, or utilization of smelters or refiners that are not conflict mineral free, we take the appropriate step under OECD guidance. Applied is committed to enhancing our ability to track and trace conflict minerals in our supply chain.

INTEGRATION IN SUPPLIER REQUIREMENTS

Applied suppliers who manufacture products containing tantalum, tin, tungsten or gold are expected to implement their own conflict mineral policies and procedures throughout their supply chains.

COMMUNICATION TO CUSTOMERS

Applied communicates to our customers about conflict minerals through our website and through the dedicated email address we have established: conflictminerals@applied.com.

COMPLIANCE

As a public company, Applied files its Form SD with the SEC. Applied's Conflict Minerals Report for 2015 is available on this page as a PDF download.

GRIEVANCE MECHANISM AND REPORTING

Applied employees, suppliers, customers and other parties can report concerns about this Statement or our actions in respect of conflict minerals by using our third-party Ethics Reporting Hotline:

- Phone: (844) 600-0074
- Email: www.lighthousego.com/applied/eng

Reports can be made anonymously and will be kept confidential to the extent practicable and allowed by law. We will not take retaliatory action against our employees because of making a report in good faith. Our suppliers are encouraged to contact their regular sourcing contact if they wish to seek guidance on the application of this Statement.

We will investigate and, where appropriate, take remedial action to address reported incidents.