

Magal Security Systems Ltd. Policy to Conflict Minerals

The U.S. Securities and Exchange Commission (SEC) has approved the final rule regarding the sourcing of “conflict minerals” under Section 1502 of the Dodd-Frank Wall Street Reform Consumer Protection Act. Under this rule, publicly traded companies, such as Magal Security Systems Ltd. (“Magal-S3”) must report to the SEC whether “conflict minerals” (tantalum, tin, tungsten and gold) originating in the Democratic Republic of Congo (DRC) or adjoining countries (Angola, Burundi, The Central African Republic, The Republic of Congo, Rwanda, South Sudan, Tanzania, Uganda and Zambia) together “covered countries”, are necessary to the functionality or production of a product, and are present in the products the reporting companies manufacture or contract to manufacture.

We are concerned about the link between the illegal extraction and trade of natural resources, and associated human rights violations, conflict and environmental degradation. We are further concerned that sale of “conflict minerals” mined in the DRC and other “covered countries” may have funded armed conflicts in that region, that led to numerous human rights abuses and atrocities.

Magal-S3 goal is to use “conflict free” minerals in our products, and we look favorably on government and industry actions to increase supply chain transparency aiming to facilitate the ability of companies to source “conflict free” minerals. In light of the above, we are taking measures, as well as measures recommended by the OECD, to meet the applicable reporting obligations, including enhancing our supply chain due diligence and internal controls relating to “conflict minerals”.

We are committed to sourcing materials from companies that share our values and as part of our “conflict minerals” compliance policy, we are requesting that our current and potential suppliers of raw materials or products containing “conflict minerals” complete a Conflict Minerals Due Diligence. Magal-S3 collects material composition information for products which allows us to identify suppliers that use tin, tantalum, tungsten and/or gold in their products. Material composition data along with information gathered from suppliers (e.g. with the CFSI Conflict Minerals Reporting Template), industry initiatives (e.g. CFS), and other available sources are used to assess risks of non-compliance to this Policy.

Moreover, we encourage our suppliers to cooperate with industry efforts to enhance traceability and responsible practices in global minerals supply chains.

This Policy will be reviewed regularly and updated as needed.

Concerns and violations of this policy can be reported to Magal-S3 Board of Directors, or Magal-S3 General Counsel through our official grievance channels:

Online via: http://www.magal-s3.com/Contact_Magal.html

By mail to the following : doronk@magal-s3.com

Suppliers and other external parties are encouraged to contact their regular sourcing channel if they wish to seek guidance on the application of this approach, or if they wish to report suspected abuse. They, and other external stakeholders, may also report problems or concerns to the above Magal-S3 contact channel.