**California Transparency in Supply Chains Act of 2010**

**Ampacet Corporation Compliance with California Transparency in Supply Chains Act of 2010**

On September 30, 2010, California Senate Bill 657, the California Transparency in Supply Chains Act of 2010 (the “Act”), was signed into law and codified in Section 1714.43 of the California Civil Code and Section 19547.5 of the California Revenue and Taxation Code, and becomes effective as of January 1, 2012. The Act requires retail and manufacturing companies to disclose what efforts they have taken to eliminate slavery and human trafficking from their supply chains.

Accordingly, because Ampacet Corporation (“Ampacet”) falls within the compliance requirements of this Act, it is making the following disclosures:

1. Engage in verification of product supply chains to evaluate and address risks of human trafficking and slavery, and whether the verification was conducted by a third party;

* Ampacet has implemented a supplier verification process to evaluate and address risks of human trafficking and slavery. Suppliers are required to certify that their company policies comply with all local laws designed to eradicate human trafficking and slavery in the country or countries in which they do business.

2. Conduct audits of suppliers to evaluate supplier compliance with company standards for trafficking and slavery in supply chains, and whether the audits were independent and unannounced;

* Ampacet’s suppliers are expected to demonstrate compliance and to provide Ampacet, or its representative, with any reasonable request for information to confirm compliance. This may include on site audits when requested by Ampacet, or its representative, to verify compliance.

3. Require direct suppliers to certify that materials incorporated into the product comply with the laws regarding slavery and human trafficking of the country or countries in which they are doing business;

* Ampacet requires a declaration from direct suppliers certifying that materials incorporated into the product comply with the laws regarding slavery and human trafficking.

4. Maintain internal accountability standards and procedures for employees or contractors failing to meet company standards regarding slavery and human trafficking;

* If an employee or contractor fails to meet company standards regarding slavery and human trafficking, the ramifications will be determined on a case-by-case basis predicated upon the facts and circumstances.

5. Provide company employees and management, who have direct responsibilities for supply chain management, training on human trafficking and slavery, particularly with respect to mitigating risks within the supply chains of products;

* Key employees and management must adhere to Ampacet’s Code of Business Ethics (COBE) which requires obeying all applicable laws and regulations. Annually, each covered employee is required to sign a statement of acknowledgement and compliance with the intent of the COBE.