

ID Systems Conflict Minerals Policy

This document contains ID Systems' policy regarding the use of conflict minerals in its products.

Regulatory Overview

There has been increased awareness of violence and human rights violations in connection with the mining of certain minerals from locations in the Democratic Republic of the Congo (the "DRC") and its adjoining countries.

In July 2010, the President signed into law the Wall Street Reform and Consumer Protection Act, also known as the Dodd-Frank Act. On August 22, 2012, the Securities and Exchange Commission (the "SEC") adopted a conflict minerals rule (the "Conflict Minerals Rule") as mandated by Section 1502 of the Dodd-Frank Act. The Conflict Minerals Rule is intended to reduce a significant source of funding for armed groups that are committing human rights abuses in the DRC.

To the extent that "conflict minerals" are necessary to the functionality of products that ID Systems manufactures or contracts to manufacture, we are required to engage in a reasonable country of origin inquiry to determine whether the conflict minerals originated in the DRC or one of the other "covered countries." To the extent that products that we manufacture or contract to manufacture contain conflict minerals that are necessary to their functionality or production, we are required to make certain disclosures on Form SD, a new SEC form. Additional due diligence and disclosure obligations are triggered to the extent that the conflict minerals are from a covered country or we are unable to determine the source of the conflict minerals. Our first report on Form SD was filed as required by May 31, 2014 and is required yearly thereafter.

"Conflict minerals" are defined in the Conflict Minerals Rule as cassiterite, columbite-tantalite (coltan), gold, wolframite and three specified derivatives: tin; tantalum; and tungsten. In addition to the DRC, the "covered countries" are defined in the Conflict Minerals Rule as: (1) Angola; (2) Burundi; (3) Central African Republic; (4) the Republic of the Congo; (5) Rwanda; (6) South Sudan; (7) Tanzania; (8) Uganda; and (9) Zambia.

ID Systems Policy Statement

ID Systems takes its obligations under SEC and other regulations seriously. ID Systems also has adopted this policy as part of our efforts to encourage our suppliers to respect human rights and not contribute to conflict.

ID Systems does not directly source conflict minerals from mines, smelters or refiners, and is in most cases several or more levels removed from these market participants. ID Systems therefore requires the cooperation of its suppliers in the implementation of this policy and in enabling ID Systems to meet its SEC compliance obligations on a timely basis.

Supplier Requirements

Suppliers who supply or manufacture components, parts or products containing conflict minerals are expected to source those minerals from socially and environmentally responsible sources that do not directly or indirectly contribute to conflict. Without limiting the foregoing, suppliers are expected to directly and indirectly source conflict minerals only from sources that do not directly or indirectly benefit or finance “armed groups” (as that term is defined in the Conflict Minerals Rule) in the DRC or another covered country.

In furtherance of this policy, suppliers are expected to:

- Implement and communicate to their personnel and suppliers policies that are consistent with this policy, and require their direct and indirect suppliers to do the same;
- Familiarize themselves with the Conflict Minerals Rule and the Organization for Economic Co-operation and Development (OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (the “Guidance”));
- Put in place procedures for the traceability of conflict minerals at least to the smelter or refiner level, working with their direct and indirect suppliers, as applicable;
- Where possible, source conflict minerals from smelters and refiners validated as being conflict free, and require their direct and indirect suppliers to do the same;
- Maintain reviewable business records supporting the source of conflict minerals;
- From time to time, at ID Systems’ request, provide to ID Systems written certifications and other information concerning the origin of conflict minerals included in products and components supplied to ID Systems and the supplier’s compliance with this policy generally, and require their direct and indirect suppliers to do the same; and
- Require their direct and indirect suppliers to establish policies, due diligence frameworks and management systems that are consistent with the Guidance.

Suppliers also are encouraged to support industry efforts to enhance traceability and responsible practices in global minerals supply chains.

ID Systems reserves the right to request from any supplier at any time such information, certifications and documentation as it shall deem necessary to monitor or assess compliance with this policy.

Assessing and Responding to Identified Risks

ID Systems believes in establishing and maintaining long-term relationships with suppliers whenever possible. If we determine that a supplier may be violating this policy, we may require them to commit to and implement a corrective action plan within a reasonable timeframe. Continued failure to adhere to ID Systems' policies and refusal to address issues of concern may lead to termination of our business relationship with the supplier. Nothing contained in this policy shall be interpreted to preclude ID Systems from terminating any supplier relationship at any time for any reason consistent with contract obligations.

Grievance Mechanism and Reporting

Concerns regarding this policy, or violations, can be reported as follows:

By mail to the following address:

ID Systems, Inc.
123 Tice Boulevard
Woodcliff Lake, New Jersey 07677
Attn: Ned Mavrommatis

Suppliers are encouraged to first contact the ID Systems organization which purchases from them if they have any questions concerning this policy.

This policy will be reviewed and updated as needed.