

DDN Conflict Minerals Policy

Introduction

“Conflict Minerals” refers to Tin, Tantalum, Tungsten and Gold, the derivatives of cassiterite, columbite-tantalite, and wolframite, regardless of where they are sourced, processed or sold. These metals are mined in the Eastern provinces of the Democratic Republic of Congo (DRC) and in the adjoining countries (Angola, Burundi, Central African Republic, The Republic of the Congo, Rwanda, South Sudan, Tanzania, Uganda, and Zambia) where armed groups that control a large number of mines are involved in an array of human rights abuses and contribute to the prolongation of armed conflict in the region.

Scope

This document provides information on the Conflict Minerals legislation, DDN's due diligence requirements and our expectations from our supply chain, including consequences of non-compliance.

Dodd-Frank Act

The Metals

In 2010, Congress enacted the [Dodd-Frank Street Reform and Consumer Protection Act](#) with the goal of eliminating the illegal trade in the Four Metals, Tin, Tantalum, Tungsten and Gold (Conflict Minerals) and cutting the funding of armed groups in the Democratic Republic of the Congo (DRC) and its neighboring countries.

Conflict Minerals Reporting

Section 1502 of the Dodd-Frank Act requires publicly traded companies to report to the U.S. Securities and Exchange Commission (SEC) and disclose on their website whether any of the Conflict Minerals in the products they manufacture or contract to manufacture originate in the DRC Region and to confirm that due diligence has been conducted to determine if the original sale of such minerals funded armed conflict. The SEC issued implementing regulations and guidance on August 22, 2012.

Minerals Necessary for Production

The rules also requires manufacturers who file certain reports with the SEC to disclose whether the products they manufacture or contract to manufacture contain “conflict minerals” that are “necessary to the functionality or production” of those products.

Our Commitment

DDN uses various metals in the products we build and market. Just as other businesses around the world are laying strong emphasis on developing partnerships with companies that meet the highest ethical and social responsibility standards, we have elected to introduce, adapt and practice similar standards. We support legislation and initiatives, including those of the Electronic Industry Citizenship Coalition (EICC) & Global e-Sustainability Initiative (GeSI) which advocates against the sourcing of Conflict Minerals from the Conflict Region. Accordingly we:

- 1) Support the aims and objectives of U.S. legislation such as the Dodd-Frank Act on the sourcing of Conflict Minerals
- 2) Do not knowingly procure Conflict Minerals that originate from facilities in the Conflict Region that are not certified as being “conflict free”
- 3) Ensure compliance with these requirements in our supply chain,
- 4) Help our suppliers understand their role and responsibilities in performing due diligence with their respective supply chains to assure that specified metals are being sourced only from:
 - a. Mines and smelters outside the Conflict Region or
 - b. Mines and smelters which have been certified by an independent third party as “conflict free” if sourced within the Conflict Region.

NOTE: Products are ***DRC Conflict Free*** if they contain only Conflict Minerals that did not originate in the DRC or an adjoining country, are from recycled or scrap sources, or have not benefitted the armed groups identified as perpetrators of the abuses that are the subject of the Dodd-Frank Act.

Expectations from Supplier

We will be communicating and expecting our suppliers to be aligned with our social responsibility policies and undertake the following:

- 1) Develop a Conflict Minerals policy, framework and management system, and implement and communicate to its workforce and their direct/indirect supply chain partners such policies which are designed to exclude Conflict Minerals from their business

- 2) Perform due diligence and develop procedures to trace Conflict Minerals in their supply chain
- 3) Use all resources and put in reasonable efforts to source materials from smelters and refiners who are DRC Conflict Free
- 4) Provide information, whenever requested by DDN for updating our records, of any materials which are not DRC Conflict Free which will include:
 - a) Provide reasonable auditable documentation and business records supporting the sourcing of Conflict Minerals which are DRC Conflict Free
 - b) The information provided by you will specifically be for DDN use and will be protected under the Non-Disclosure Agreement (see enclosure) between yourself and DDN. We do not expect you to provide any 3rd party information that would otherwise be in violation of your confidentiality obligations or any applicable law or regulation.

Consequences of Supplier Non-Compliance

In the process of ensuring this Policy is being implemented by our supply chain, DDN can perform the following to ensure its suppliers are in compliance:

- 1) Continually evaluate business relationships
- 2) Reserve the right to evaluate the extent to which a supplier has failed to reasonably comply with this Policy
- 3) Request additional documentation and evidence supporting the source of any Conflict Minerals which could be included in the product sold to DDN
- 4) In matters of non-compliance DDN's supply chain organization reserves the right to evaluate future business partnership with the particular supplier
- 5) In the event if DDN determines that insufficiently efforts have been made to comply with the Policy, then DDN can:
 - a) Ask the supplier to develop and provide a workable Risk Management Plan which will be subject to review and approval by DDN
 - b) Go through a third party audit process
 - c) Take appropriate action if other measures fail, including discontinuing DDN's business relationship with the supplier

NOTE: *It may be noted that nothing in the Policy is intended to in any way grant any additional rights or expectations to any DDN supplier or in any way modify or otherwise limit in any way any of DDN's contractual or legal rights.*

Who is subject to reporting on Conflict Minerals?

It is important to understand who is governed by the regulations under the Conflict Minerals legislation. Per the SEC and EICC directions, the following category of businesses/companies will be subject to compliance standards and reporting:

- 1) Any company that has filed a report under Section 13(a) or 15(d) of the Exchange Act – Section 1502
- 2) Any company that manufactures or performs contract-to-manufacture production activities
- 3) Where Conflict Minerals are necessary to the functionality and production of the product
- 4) Where the company has performed a Reasonable Country of Origin Inquiry (RCOI) and determined that the minerals may have originated from the DRC Conflict Region
- 5) Where the company, based on RCOI, believes that the Conflict Minerals came from scrap or recycled materials
- 6) Each company covered by the legislation needs to file form SD describing the results of its inquiry

Policy Support Mechanism

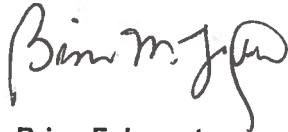
Our suppliers, employees and other parties can report concerns and alleged violations of this Policy as follows:

- 1) **Write to us at:** DataDirect Networks, Attn: Conflict Minerals, 9351 Deering Ave, Chatsworth, CA 91311
- 2) **Email us at** ddnsrc@ddn.com , or
- 3) **Call us at:** 1-800-837-2298

CONFIDENTIALITY

- 1) Concerns can be reported anonymously and will be kept confidential to the fullest extent practicable and allowed by law

- 2) DDN will not take any regulatory action against any individual or organization making a Conflict Minerals report in good faith
- 3) Suppliers can seek further information on this Policy by writing to us at ddnsrc@ddn.com



Brian Fukumoto

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CSR Website – <http://www.ddn.com/company/corporate-social-responsibility/>