

Code of Conduct

Our Vision and Values

Enabling human potential is the ultimate benefit of technology and the driving force behind everything we do at US Digital Media. We believe that with access to the right tools and skills, people, organizations, and communities can reach their full potential and achieve just about anything. Our vision drives the way we approach and engage our communities, our people, and our planet; achieving commercial success in ways that respect *all* people and our natural environment. We are committed to doing business ethically, with integrity, and in accordance with the law, as well as our own stringent Code of Conduct; domestically and throughout the world.

Our Mission

Our goal is to deliver the latest technologies with the most up to date knowledge in the evolving industry of media storage, reproduction, and mobile peripheral products. We believe our clients deserve an exceptional experience, which we are committed to providing with a combination of strong supplier and client relationships.

The focus of our vision is to maintain high standards for decent and humane working conditions in the manufacturing operations of our supply chain, US Digital Media has established specific guidelines, in consultation with The Fair Labor Association's Affiliate Program requirements, which are recognized, respected, and considered around the world. US Digital Media requires all suppliers to operate, at minimum, in accordance with local laws and the requirements set forth in this Code of Conduct.

US Digital Media – Code of Conduct

I. LABOR and HUMAN RIGHTS

Employment Relationship

US Digital Media believes in taking a proactive and continuous approach towards the improvement of our relationships with internal and external labor stakeholders. Our Corporate Social Responsibility team is the integral key to accomplishing these objectives at local levels and abroad. Through organized structures in Human Resources, Purchasing, and Licensing we are committed to focus on implementation in the following strategic areas:

- Compliance with the social aspects of our Code of Conduct, relevant international labor commitments and this Policy.
- Promotion of the US Digital Media Code of Conduct and manufacturing principles of our business code of ethics.
- Development and upholding of an open dialogue with external stakeholders on labor matters.
- Suppliers shall adopt and adhere to rules and conditions of employment related to workers' rights.
- All parties are expected to uphold national and international labor and social security laws. In the event of conflict or difference of standards, the highest standard shall apply.

The implementation of all strategies is a joint effort on the part of our CSR team at Corporate level to set standards and offer guidance, and at the local level to enforce all necessary actions to implement our policies and uphold our standards.

Labor Priorities

US Digital Media promotes a continuous improvement of the working conditions in our domestic facilities and with supplier abroad. We ascribe special attention to the following Corporate labor priorities:

- Respect the right of our employees to establish and join organizations of their own choosing and engage in constructive negotiations.
- Offer competitive wages and benefits that allow our employees to cover their needs according to local standards of living.

- Exude the highest respect for corporate guidelines regarding “temporary employees” based on which temporary staff shall only be used in circumstances where it is justified by the temporary nature or need of the position and will not result in unjustifiable differences in employment conditions.
- Respect corporate guidelines regarding “outsourced activities” which indicate that only those activities which are non-core to the business may be outsourced and that the people performing them will be treated fairly at all times.
- Implement the Corporate guidelines regarding working time for our employees to assure a safe and healthy workplace and working environment respectful of their family lives.
- Treat every employee with dignity and without any tolerance for discrimination, harassment or abuse.

Freedom of Association

Direct and frequent communication with our workforce is essential and we strive to foster and cultivate conversations between management and employees. Close relationships and long-term employment are of great value to our organization. Regular dialogue with our employees creates an opportunity to discuss matters of mutual concern and allows our employees to acquire a full understanding of the business activities and objectives of the Company. With the goal of continuous improvement at the forefront we proactively encourage dialogue that goes beyond collective bargaining to share knowledge that addresses jointly important matters such as health and safety, benefits, environmental concerns and other workplace matters.

Our domestic facilities and manufacturing partners shall recognize and respect the right of employees to freedom of association and collective bargaining.

Freely Chosen Employment

There shall not be any use of forced prison labor, indentured labor, bonded labor or other forced labor.

Child Labor Avoidance & Juvenile Workers Protection

Our manufacturing partners shall not employ any person at any age younger than 15 (regardless of International Labor Organization practices or where the law of the country of manufacture allows persons under the age of 15). Where the age for completing compulsory education is higher than the standard for the minimum age of employment stated above, the higher age for completing compulsory education shall apply to this section. The manufacturing partner agrees to minimize the negative impact on children released from employment as a result of implementation or enforcement of the US Digital Media Code of Conduct.

Working Hours

Except in extraordinary circumstances, hourly and/or quote-based wage employees shall not be required to work more than the lesser of 48 hours per week and 12 hours overtime (or the limits on regular and overtime hours allowed by the law of the country of manufacture) or, where the laws of such country, domestically and internationally, do not limit the hours of work, the regular work week in such country plus 12 hours overtime; and be entitled to at least one day off in every seven day period. The Fair Labor Association defines an extraordinary circumstance as follows: "Events or circumstances which substantially disrupt production and which are out of the ordinary and out of the control of the employer, including earthquakes, floods, fires, national emergencies, force majeure, or periods of prolonged political instability. The definition does not include peak production periods, which can be planned for, or holidays or seasonal fluctuations".

Wages and Benefits

US Digital Media recognizes that wages are essential to meeting employee's basic needs. Our domestic facilities and manufacturing partners shall pay employees at least the minimum wage required by local law or the local standard of living wage plus basic discretionary income, whichever is higher, and shall also provide legally mandated benefits. In the event that basic living wages and discretionary income are not met, employers will work with US Digital Media to take appropriate actions in progressively realizing the required level of compensation.

Overtime Compensation

In addition to their compensation for regular hours of work, hourly and/or quota based wage employees shall be compensated for overtime hours at such a premium rate as is legally required in the country of manufacture. In those countries where such laws do not exist, employees shall be paid at a rate at least one-and-a-quarter of their regular hourly compensation rate.

Human Treatment

Every employee shall be treated with dignity and respect. No employees shall be subject to any physical, sexual, psychological or verbal harassment or abuse. Licensees will not use or tolerate any form of corporal punishment. US Digital Media also requires its domestic facilities and manufacturing partners to have a written harassment and abuse policy.

Non-Discrimination

No person shall be subject to any discrimination in employment, including hiring, salary, benefits, advancement, discipline, termination or retirement, on the basis of gender, race, religion, age, disability, sexual orientation, nationality, political opinion, or social or ethnic origin.

Human Trafficking

US Digital Media, Inc has a zero-tolerance policy, in regards to any of it's employees, agents, subcontractors, or suppliers who engage in, or support the use of slavery, human trafficking, or sex trafficking. Failure by an employee, agent, or subcontractor to abide by this policy will lead to the termination of our relationship, without liability to US Digital Media, Inc. If a supplier is found in violation of this policy, they will be required to take prompt, remedial measures to address the violation, which includes instituting clear and trustorthy action plans to ensure compliance

II. HEALTH & SAFETY

US Digital Media strongly believes that it's the contributions of our people that shape our company's culture, meaningful sustainability, and business success. Employers shall adopt responsible measures to mitigate negative impacts that the workplace has on the environment. Out of care and consideration for our workforce, we devote the necessary resources and attention to make sure that all are protected throughout every aspect of our operation. Established health and safety policies of our organization are binding to the entire team.

Our Safety and Health management system is based on the concept of continuous improvement. We improve our performance constantly by designing and adapting processes, work practices and systems in the direction of better ergonomics and greater safety. By closely monitoring and analyzing any occurrences we are able to improve upon the overall performance of our health and safety procedures.

Moreover, our domestic facilities and manufacturing partners are required to provide a safe and healthy working environment to prevent accidents and injury to health arising out of, linked with, or occurring in the course of work or as a result of the operation of the Licensee facilities. Training on mandatory policies and practices will be offered to all employees in the areas of:

- Occupation safety
- Prevention of Chemical Exposure
- Emergency preparedness
- Occupational Illness
- Industrial Hygiene
- Physically Demanding Work
- Machine Safeguarding
- Sanitation Food and Housing
- Ergonomics
- Health and Safety Communication
- Worker Health and Safety Committees

III. Environmental Impact

At US Digital Media, we are focused on operating a business that will not only thrive in our present and future economies, but will also empower our community and nurture our environment. US Digital Media keenly understands the impact of technology on the environment. Our recycling and carbon footprint reduction practices reflect our passion to ensure that the world we live in and the world we create can coexist into a tomorrow that we can be proud of.

Employers shall adopt responsible measures to mitigate negative impacts that the workplace has on the environment. Our domestic facility's management and manufacturing partners are held accountable for compliance enforcement and are expected to operate at the highest levels of efficiency in the following areas:

- Hazardous Substance Management
- Air Emission Management
- Wastewater Management
- Environmental Permits and Reporting
- Pollution Prevention and Resource Reduction
- Hazardous Substances
- Wastewater and Storm water management
- Solid waste management
- Air Emissions
- Product Content Restrictions

To exemplify our expectations US Digital Media has supported environmental impact throughout our entire operation in a number of ways, which include the following:

- Each gigabyte of flash memory sold by USDM saves approximately 40,000 pieces of paper. USDM has sold nearly 15 million flash drives to date.
- USDM advocates products that reduce the company's carbon footprint such as bamboo protective casing and recycled plastic packaging.
- Recycling bins are distributed through break rooms and workspaces for the waste reduction of daily cans, plastic and paper.
- Styrofoam coffee cups were replaced by reusable, hard plastic mugs given to every employee.
- USDM's paperless initiative has flourished. Within three years, the company has reduced paper use by more than half. 90% of vendors utilize email invoices and the use of EFTs has tripled, reducing the number of paper checks.

IV. Ethics

US Digital Media maintains specific policies to guide its employees with respect to standards of conduct expected in areas where improper activities could damage the Company's reputation and otherwise result in serious adverse consequences to the Company and to employees involved. The aforementioned is expected of and agreed upon by all manufacturing suppliers as well. The purpose of the Policy is to affirm required standards of conduct and practices with respect to certain type of payments and/or contributions.

No employee of our Organization or any Controlled Affiliate acting on behalf of US Digital Media shall, in violation of any applicable law, offer or make directly or indirectly through any other person or firm any payment of anything of value (in the form of compensation, gift, contribution or otherwise) to:

- Any person or firm employed by or acting for or on behalf of any customer, whether private or governmental, for the purpose of inducing or rewarding any favorable action by the customer in any commercial transaction; or any governmental entity, for the purpose of inducing or rewarding action (or withholding of action) by a governmental entity in any governmental matter
- Any governmental official, political party or official of such party, or any candidate for political office, for the purpose of inducing or rewarding favorable action (or withholding of action) or the exercise of influence by such official, party or candidate in any commercial transaction or in any governmental matter.

US Digital Media expects all employees to use only legitimate practices in commercial operations and in promoting our Company's position on issues before governmental authorities. Specifically stated, "kickbacks" or "bribes" intended to induce or reward favorable buying decisions and governmental actions are unacceptable and prohibited.

Disclosure of Information

Any employee who is requested to make, authorize, or agree to any offer or payment which is, or may be, contrary to this Policy will promptly report such information to the employee's manager, or to the manager in the component having responsibility for financial activity.

Protection of Intellectual Property

For many years US Digital Media has recognized a need to enforce compliance with the antitrust laws of the United States and other countries. The antitrust laws are relevant to many business decisions, and the consequences of violations anywhere can be seriously injurious to our Organization and any other individuals involved.

Business Integrity

Communication is crucial to every organization and at US Digital Media we understand the value of honest communication. We put forth what we expect to receive from all suppliers and stand by the integrity of our values in action. Our employees are expected to approach every aspect of what we do with honesty, reliability, fairness, respect, and compassion. We uphold high ethical standards understanding that credibility leads to trustworthiness and the overall success of our business.

Anonymous Complaints and Whistleblower Protection

Our Whistleblower Policy is intended to encourage and enable employees and others to raise serious concerns internally so that the Organization can address and correct inappropriate conduct and actions. It is the responsibility of all board members, officers, employees and volunteers to report concerns about violations of our established codes code or suspected violations of law or regulations that govern US Digital Media's operations.

No Retaliation

It is contrary to the values of this Organization for anyone to retaliate against any board member, officer, employee, or volunteer who in good faith reports an ethics violation, or a suspected violation of law, such as a complaint of discrimination, suspected fraud, or suspected violation of any regulation governing the operations of US Digital Media. An employee who retaliates against someone who has reported a violation in good faith is subject to discipline up to and including immediate termination of employment.

Reporting Procedure

An open door policy is nurtured and US Digital Media welcomes employees to share their questions, concerns, suggestions or complaints with their supervisor. If an employee is not comfortable speaking with their supervisor or they are not satisfied with their supervisor's response, they are encouraged to speak directly with Human Resources. Supervisors and managers are required to report complaints or concerns about suspected ethical and legal violations immediately to Human Resources, who has the responsibility to investigate all reported complaints. Employees with concerns or complaints may also submit their concerns in writing directly to their supervisor, the General Manager, or Chief Executive Officer

Anyone filing a written complaint concerning a violation or suspected violation must be acting in good faith and have reasonable grounds for believing the information disclosed indicates a violation. Any allegations that prove not to be substantiated and which prove to have been made maliciously or knowingly to be false will be viewed as a serious disciplinary offense.

Manufacturing Partners: Corrective Action Policy and Next Steps

When the manufacturing partner is found to be in violation of the USDM Code of Conduct, corrective actions are initiated with written notice to the manufacturing partner stating the specific violation or violations, recommended solutions, and a deadline for remedying all occurrences. Unless the violation is corrected by the required deadline, or a new and justifiable timeline is agreed upon, US Digital Media will cease to do business with the offending manufacturing partner.

All suppliers agree to sign and return this document to US Digital Media. Also, manufacturing partners are required make a copy of this document available to workers in their factory in the native language of their employees. US Digital Media provides a translated copy of this document, if needed. By signing the USDM Code of Conduct, all suppliers agree to enforce the requirements stated herein.

Manufacturer

Signature

Printed Name

Title

Date