



Conflict Minerals Policy Statement Introduction

On July 21, 2010, the Dodd-Frank Wall Street Reform and Consumer Protection Act was signed into law. The Dodd-Frank Act and related 2012 U.S. Securities and Exchange Commission rules require certain companies to disclose whether the products they manufacture or contract to manufacture contain Conflict Minerals necessary for the production or the functionality of the products that are sourced from mines in the Democratic Republic of the Congo or adjoining countries. Conflict Minerals are tantalum, tin, tungsten and gold.

As many of our suppliers and customers have acknowledged publicly, the Dodd-Frank Act created a new expectation for product manufacturers, which may be far removed from the source of the raw minerals in their products.

WDL Systems, LLC., distributes thousands of branded products that are manufactured by companies located around the world.

WDL Systems is committed to acting in a socially and environmentally responsible manner, to complying with the law, to meeting its customer commitments, and to supporting its customers' businesses.

Due to the complexity of many supply chains, especially those of broad-line industrial PC distributors such as WDL Systems, and the lack of an established system for product manufacturers to track Conflict Minerals back to their source, the joint efforts over an extended period by many governments, industry groups, and companies will be required to make it possible to effectively trace Conflict Minerals back to their source.

WDL Systems Policy regarding Conflict Minerals

As a responsible company, WDL Systems supports the goal of the Dodd-Frank Act of preventing armed groups in the Democratic Republic of the Congo and adjoining countries from benefitting from the sourcing of Conflict Minerals from that region.

As an industrial PC/Embedded Computer Distributor of thousands of products manufactured by many other companies located around the world, WDL Systems is invariably many levels away from the beginning of the supply chain for the products it distributes.

This Policy demonstrates WDL Systems commitment and its expectations for its product suppliers regarding actions to address Conflict Minerals.

WDL Systems is committed to:

- Support the aims and objectives of the Dodd-Frank Act concerning Conflict Minerals sourcing by working to educate the manufacturers of the products we distribute about Conflict Minerals.
- Help our suppliers understand the due diligence steps they can take to investigate the source of any Conflict Minerals in the products they sell to WDL Systems.
- Not continue to source from a supplier any product that contains Conflict Minerals if WDL Systems determines the product is not DRC Conflict Free and the supplier fails to implement reasonable steps to transition to DRC Conflict Free sources.

WDL Systems Commitment to Responsible Sourcing

WDL Systems distributes thousands of branded products that are manufactured by many other companies located around the world.

WDL Systems supports the humanitarian goals of the Dodd-Frank Act and encourages the manufacturers of the products distributed by WDL Systems to adopt that same policy for their businesses.

As a distributor of products manufactured by other companies, WDL Systems does not directly purchase any raw Conflict Minerals from any source and is many levels removed from the mines, smelters, and refiners that produce the metals used in the products manufactured by WDL Systems suppliers.

The supply chain for Conflict Minerals is complex and lacks an established structure for product manufacturers to trace the minerals in the finished goods distributed by WDL Systems back to their source.

WDL Systems is committed to working with its suppliers to educate them on these matters and concerning steps they can take to obtain increased transparency regarding the origin of minerals contained in the products they manufacture and sell to WDL Systems.

To WDL Systems Suppliers:

WDL Systems has the following expectations of its suppliers:

- Suppliers should not include in any products sold to WDL Systems any Conflict Minerals that are not DRC Conflict Free;
- Suppliers should develop Conflict Minerals policies, due diligence frameworks, and management systems that are designed to prevent Conflict Minerals that are not DRC Conflict Free from being included in the products sold to WDL Systems;
- and WDL Systems' suppliers are expected to source Conflict Minerals only from sources that are DRC Conflict Free.

In doing so, suppliers will be 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;
- put in place procedures for the traceability of Conflict Minerals, working with their direct and indirect suppliers as applicable;
- use reasonable efforts to source Conflict Minerals from smelters and refiners validated as being DRC Conflict Free, and require their direct and indirect suppliers to do the same;
- advise WDL Systems of any determination that the supplier either has concluded or has a reasonable basis to believe that products it currently sells or has sold to WDL Systems are not DRC Conflict Free;
- maintain reviewable business records supporting the source of Conflict Minerals;
- and from time to time, at WDL Systems request, provide WDL Systems with information concerning the origin of Conflict Minerals included in products sold to WDL Systems, which WDL Systems shall be entitled to use or disclose in satisfying any legal or regulatory requirements or in any customer or marketing communications, notwithstanding the terms of any confidentiality agreements that do not specifically reference this paragraph.

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

Consequences of Supplier Non-Compliance

WDL Systems evaluates its relationships with its suppliers on an ongoing basis.

WDL Systems reserves the right to evaluate the extent to which a supplier has failed to reasonably comply with this Policy.

WDL Systems reserves the right to request additional documentation from its suppliers regarding the origin of any Conflict Minerals included in any products sold to WDL Systems.

Suppliers who do not reasonably comply with this Policy shall be reviewed by WDL Systems supply chain organization for future business.

In the event WDL Systems determines that a supplier's efforts to comply with this Policy have been deficient and the supplier fails to cooperate in developing and implementing reasonable remedial steps, WDL Systems reserves the right to take appropriate actions up to and including discontinuing purchases from the supplier.

Nothing in this Policy is intended to in any way grant any additional rights or expectations to a WDL Systems supplier or in any way modify or otherwise limit in any way any of WDL Systems contractual or legal rights.

Questions/Concerns/Comments Please Contact:

sales@wldsystems.com

800-548-2319

WDL Systems,
220 Chatham Business Drive,
Pittsboro, NC,
27312

WDL Systems fully understands the importance of this issue to its customers and is committed to supply chain initiatives and overall corporate social responsibility and sustainability efforts that work towards a DRC Conflict Free supply chain. We encourage all of our suppliers to likewise support these efforts.