



MODULAR DEVICES, INC.

ONE RONED ROAD • BROOKHAVEN R&D PLAZA • SHIRLEY, NY 11967 (631) 345-3100

An ISO 9001:2008 Registered Company

Conflict Mineral Policy of Modular Devices, Inc. (MDI)

Conflict Minerals are defined as cassiterite, columbite-tantalite, gold, wolframite, and their derivatives, which are limited to tin, tantalum and tungsten (“Conflict Minerals”) for the purpose of this policy.

If after conducting a reasonable country of origin inquiry (“RCOI”), MDI has reason to believe that any of the Conflict Minerals in its supply chain may have originated in the Democratic Republic of the Congo or an adjoining country (the “Covered Countries”), or if it is unable to determine the country of origin of those Conflict Minerals, then MDI must exercise due diligence with respect to the source and chain of custody of the Conflict Minerals.

1. Company Overview

MDI is a world-wide leader in the design, development, manufacture and support of DC-DC converters and related products. MDI is a privately held corporation organized under the laws of the State of New York, USA. Being privately held, it is exempt from reporting requirements of US Dodd-Frank Wall Street Reform and Consumer Protection Act Pub L 111-203, HR4173 concerning conflict minerals sourcing. Nonetheless, in the interests of supporting our customers and good corporate governance, MDI maintains a conflict minerals policy as described hereunder.

2. Products Overview

MDI’s products generally contain tin, tantalum, tungsten or gold (“3TG”).

3. Supply Chain Overview

In order to manage the scope of this task, MDI relies upon our suppliers to provide information on the origin of the 3TG contained in components and materials supplied to us, including sources of 3TG that are supplied to them from sub-tier or “upstream” suppliers. With the adoption of our conflict Minerals Policy, MDI sought to implement responsible sourcing practices with respect to Conflict Minerals.



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4. Reasonable Country of Origin inquiry

MDI conducted an analysis of our products and found that 3TG can be found in MDI's products. MDI sources parts, components and materials having 3TG content from 1) US publicly traded companies subject by US law to reporting provisions for 3TG sourcing of Pub L 111-203 HR4173 "Dodd-Frank"; 2) international companies with conflict free sourcing requirements and/or policies within their respective legal frameworks; 3) either or both together. MDI was unable to determine with absolute assurance the origin of the 3TG in our products, as defined in Section 7. Therefore, MDI cannot exclude the possibility that some of the Conflict Minerals may have originated in the Covered Countries and, as a result, we have concluded that we do not have sufficient information to conclusively determine the countries of origin of the Conflict Minerals in our Covered products. Using our supply chain due diligence processes, MDI seeks to further develop transparency into our supply chain.

5. Due Diligence Program

5.1 Design of Our Due Diligence and Description of the Due Diligence Process

MDI's conflict minerals due diligence process includes: the development of a Conflict Minerals policy; establishment of governance structures with cross functional team members and senior executives; communication to, and engagement of, suppliers; and due diligence compliance process and measurement, record keeping and escalation procedures.

5.1.2 Conflict Minerals Policy

MDI has adopted a Company policy which is publicly available on its website at <http://www.mdipower.com>.

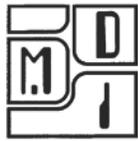
5.1.3 Internal Team

MDI has established a management system for complying with our policy. This team is responsible for implementing MDI's Conflict Minerals compliance strategy.

5.1.4 Supplier Engagement

With respect to the requirement to strengthen engagement with suppliers, MDI has conducted outreach to our suppliers to inform them of the Rule and our conflict Mineral Policy. We have included a link to our Conflict Minerals Policy in the standard language on our purchase orders.

5.2 Steps to mitigate risk and maturing due diligence program



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As our due diligence program continues to develop, we are taking the following steps designed to mitigate the risk that the necessary Conflict Minerals in our products could benefit armed groups in the Covered countries.

- . Enhance supplier communication, training and escalation process to improve due diligence data accuracy and completion

- . Continue to drive suppliers to obtain current and complete information about their smelters and refiners of Conflict minerals.

- . Continue to influence additional smelters to obtain CFS status through our supply chain, where possible.

6. Identify and assess risk in the supply chain

Because of our size, the breadth and complexity of our products, and the constant evolution of our supply chain, it is difficult to identify actors upstream from our direct suppliers. We have relied on our suppliers' responses to provide us with information about the source of Conflict Minerals contained in the components supplied to us. Our direct suppliers are similarly reliant upon information provided by their suppliers.

7. Efforts to determine country of origin of mine or 3TG

Tracing materials back to their mine of origin is a complex aspect of responsible sourcing in our supply chain. MDI is unable to determine with certainty the country of origin of mine or 3TG as a majority of the suppliers indicated that they were unsure of the origin of the conflict minerals supplied.

8. Efforts to identify smelters or refiners

MDI does not have any direct relationships with smelters or refiners that process Conflict minerals, and it does not perform or direct audits of these entities within its supply chain. MDI is unable to identify with certainty all smelters and refiners as a majority of our suppliers indicated that they were unsure of the origin of the conflict minerals supplied.