

## **DATA DOMAIN, INC.**

### **PREFACE TO CODE OF BUSINESS CONDUCT**

Conduct is as important as performance. We need to manage conduct as much as we need to manage performance. We are here to improve and change the world of data center storage as we know it. We seek to become the most significant and innovative storage company to emerge in the new millennium. Achieving these objectives is necessary but not sufficient for us to declare victory. How we go about realizing these ambitions in our day-to-day conduct is just as important as these lofty ambitions themselves. Together, we can build an enduring reputation for Data Domain as a great company and a great work place that embraces fair and ethical business practices and respect for all people we work with both inside and outside the company.

Below are the guiding principles that must underlie our business conduct:

#### *It's about the work*

Data Domain is a “blue-collar” company. Being good at what you do matters, whatever that is. Strive to be an expert at what you do. Be a student and a scholar of your chosen field. We care about the work in all its intricate details. It's not just about generating revenue and making money, it's about being as good as we can be at developing product, supporting customers and selling our solutions. Investing ourselves in, and mastering the details of, our core business is what matters and what differentiates us. We want to have our “heads in our jobs” at all times while at work. It also means that no job is too small or too insignificant for anybody in the company.

#### *It's about the customer*

The customer is central in setting priorities around everything we do. Supporting existing customers is more important than getting new ones if a choice needs to be made. Supporting existing customers is more important than developing new products if a choice needs to be made. Customers serve as our primary input for making decisions on which features to include in new products, and which defects to fix in older products. Customers shall serve as our compass to determine our business imperatives.

#### *It's about each other*

What makes us different from the next company is our people and how we come together on a daily basis. Respect between all employees of all disciplines and rank is non-negotiable. Respect manifests itself in a number of dimensions such as practicing equal opportunity, non-harassment and non-discrimination, and not tolerating workplace violence and substance abuse. In the end what matters is that our people feel safe and are treated fairly in our workplace.

### *It's about performance*

For us to exist and thrive as a firm, we must perform better than our competition on an ongoing basis. As a result, we emphasize performance at all levels, from the individual employee to the company as a whole. We use performance as our guideline for hiring, for compensation and for promoting staff. We seek to promote a performance oriented company culture. We celebrate and reward outstanding performance. The antithesis to performance is entitlement which we seek to negate at every turn.

### *It's about integrity*

Integrity means first and foremost that we are always truthful with our customers, our partners, our employees, our investors and ourselves. Second, it means we obey the laws of our country and the countries we do business in. Third, it means we avoid and aggressively deal with conflicts of interest. Fourth, we respect our own and other people's intellectual property rights, such as patents, trademarks, copyrights as well as trade secrets and confidential information. Finally, we expect our employees to protect the company's assets and expend the company's resources as if they were their own.

### *It's about honesty*

We strive to maintain "intellectual honesty" at all times, being able to view ourselves as we really are. Seek reality in the market place rather than within the walls of our facilities. Opinions matter, but facts matter more. We believe that the ability to maintain a strong measure of intellectual honesty about the business is a competitive differentiator. Intellectual honesty must be pursued at all levels and in all disciplines of our operations.

# DATA DOMAIN, INC.

## CODE OF BUSINESS CONDUCT

(AS ADOPTED BY THE BOARD OF DIRECTORS ON MARCH 7, 2007)

### 1. Introduction

This Code of Business Conduct (the “Code”) covers a wide range of business practices and procedures. It does not cover every issue that may arise, but it sets out basic principles to guide the motives and actions of all directors, officers and employees of Data Domain, Inc. and its subsidiaries (collectively, “Data Domain”). All directors, officers and employees of Data Domain must conduct themselves accordingly and seek to avoid even the appearance of improper behavior. The Code should also be provided to and followed by Data Domain’s agents and representatives, including consultants.

If you violate the standards in the Code, you may be subject to disciplinary action, up to and including termination of employment. If you observe or become aware of a situation in which you believe this code has been violated by any other person, you are encouraged to report such occurrence pursuant to the guidelines described herein. ***If you are in a situation that you believe may violate or lead to a violation of the Code, follow the guidelines described in Section 19 of the Code.***

If a law conflicts with a policy in the Code, you must comply with the law. If you have any questions about these conflicts, you should ask your manager how to handle the situation. However, this Code supersedes all other codes of conduct, policies, procedures, instructions, practices, rules or written or verbal representations to the extent that they are inconsistent with the Code. We are committed to continuously reviewing and updating our policies and procedures. The Code, therefore, is subject to modification by the Board of Directors of the Company (the “Board”) or a committee thereof.

Nothing in this Code, in any Data Domain policies and procedures, or in other related communications (verbal or written) creates or implies an employment contract or term of employment.

### 2. Purpose

The Code seeks to deter wrongdoing and to promote:

- Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- Full, fair, accurate, timely and understandable disclosure in reports and documents that Data Domain files with, or submits to, the Securities and Exchange Commission (the “SEC”) and in other public communications made by Data Domain;

- Compliance with applicable governmental laws, rules and regulations;
- The prompt internal reporting to an appropriate person or persons identified in the Code of violations of the Code; and
- Accountability for adherence to the Code.

### 3. Compliance With Applicable Laws, Rules and Regulations

Obedying the law is the foundation on which Data Domain's ethical standards are built. You must comply with applicable laws, rules and regulations. Although you are not expected to know the details of these laws, it is important to know enough to determine when to seek advice from managers or other appropriate personnel.

Data Domain acknowledges and respects the diverse cultures, customs and business practices it encounters in the international marketplace. Data Domain and its employees will comply both with the applicable US Laws and regulations that govern its foreign operations, and the local laws wherever it does business.

### 4. Payments to Government Personnel

The U.S. Foreign Corrupt Practices Act prohibits giving anything of value, directly or indirectly, to officials of foreign governments or foreign political candidates in order to obtain or retain business. It is strictly prohibited to make illegal payments or significant gifts to government officials of any country.

In addition, the U.S. government has a number of laws and regulations regarding business gratuities that may be accepted by U.S. government personnel. The promise, offer or delivery to an official or employee of the U.S. government of a gift, favor or other gratuity in violation of these rules would not only violate Data Domain policy, but could also be a criminal offense. State and local governments, as well as foreign governments, may have similar rules. Data Domain's Chief Financial Officer or In-House Counsel can provide guidance to you in this area.

### 5. Conflicts of Interest

A "conflict of interest" exists when a person's private interests interfere or conflict in any way with the interests of Data Domain. You should avoid situations that present potential conflicts of interest, either real or perceived, and should not engage in activities that would make it difficult or appear to make it difficult for you to perform your work objectively and effectively. In no way should you personally profit from transactions based on your relationship with Data Domain if it harms Data Domain, or if your personal gain is achieved at Data Domain's loss.

Examples of when a conflict of interest may arise include, but are not limited to:

- **Business Relationships.** Any business relationship that you enter into outside your work at Data Domain requires your good faith judgment and

common sense. While you are an employee of Data Domain, you are prohibited from accepting simultaneous employment with or otherwise working for (outside your responsibilities as an Data Domain employee) any person or entity with which Data Domain has a business relationship, without the prior written consent of Data Domain's Chief Executive Officer. You are not allowed to work for a competitor in any capacity. Full-time employees of Data Domain are expected to devote substantially all of their business time and attention to their employment with Data Domain. You should consult the Company's employee handbook for additional information regarding business relationships.

- **Outside Directorships and Advisory Boards.** Before agreeing to serve as a member of the board of directors or advisory board, of another entity, it is important for you to consider the potential conflicts of interest that could result. No employee or director of Data Domain should ever serve as a director or member of the advisory board for a company that directly competes with Data Domain. You are required to obtain prior written approval from the Board (or a committee thereof) or the Company's Chief Executive Officer prior to serving on the board of directors or advisory board of any entity with which Data Domain has a business relationship.
- **Personal Investments.** If you are considering investing in an entity with which Data Domain has a business relationship, you should take great care to ensure that these investments do not compromise your responsibilities to Data Domain. Many factors should be considered in determining whether a conflict exists, including the size and nature of the investment, your ability to influence decisions of Data Domain or of the other company, your access to confidential information of Data Domain or of the other company, and the nature of the relationship between Data Domain and the other company.
- **Related Parties.** As a general rule, you should avoid conducting Data Domain business with a relative or significant other, or with a business with which a relative or significant other is associated in any significant role without obtaining prior written approval from the Company's Chief Executive Officer. Relatives include spouse, sister, brother, daughter, son, mother, father, grandparents, aunts, uncles, nieces, nephews, cousins, step relationships and in-laws. Significant others include persons living in a spousal or familial fashion (including same sex) with an employee.

Conflicts of interest are prohibited as a matter of Data Domain policy, except, in the case of any director, executive officer or member of Data Domain's management committee, with the informed written consent of the Board or committee of the Board or pursuant to guidelines approved by the Board or such committee. Other employees must receive the informed written consent of Data Domain's Chief Financial Officer or pursuant to guidelines approved by Data Domain's Chief Financial Officer. Conflicts of interest may not always be clear-cut, so if you have a question, you should consult with higher levels of management or Data Domain's In-House Counsel. If you become aware

of a conflict or potential conflict, you should bring it to the attention of a manager or other appropriate personnel or consult the procedures described in Section 18 of the Code.

#### 6. Corporate Opportunities

You are prohibited from taking for yourself opportunities that are discovered through the use of corporate property, information or position without the informed prior consent of the Board. You may not use corporate property or information obtained through your position with Data Domain for improper personal gain, and you may not compete with Data Domain directly or indirectly. Furthermore, you owe a duty to Data Domain to advance its legitimate interests when such an opportunity arises.

#### 7. Insider Trading

You are not permitted to use or share confidential information for stock trading purposes or for any other purpose, except the conduct of our business. All non-public information about Data Domain should be considered confidential information until it has been adequately disclosed to the public. To use material non-public information for personal financial benefit or to “tip” others who might make an investment decision on the basis of this information is not only unethical, but also illegal, and could result in criminal prosecution in addition to the termination of your employment. “Material non-public information” includes information that is not available to the public at large that could affect the market price of the Company’s or another company’s securities and that a reasonable investor would consider important in deciding whether to buy, sell or hold the securities. In order to assist with compliance with laws against insider trading, the Company has adopted an Insider Trading Policy. A copy of this policy, which has been distributed to every employee, is available on the Company’s internal website.

You may also not trade in stocks of other companies about which you learn material, non-public information through the course of your employment with or service to Data Domain.

Any questions regarding the Company’s Insider Trading Policy or as to whether information is material or has been adequately disclosed should be directed to Data Domain’s Chief Financial Officer or In-House Counsel.

#### 8. Competition and Fair Dealing

Data Domain seeks to outperform its competition fairly and honestly. Data Domain has an obligation, and is entitled, to keep up with developments in our industry, including obtaining information about our competitors, but only through honest, ethical and legal means. Using or disclosing, or encouraging others to use or disclose, other companies’ proprietary, confidential or trade secret information, without the owner’s prior consent, and any theft or misappropriation of such information is strictly prohibited. You should endeavor to respect the rights of and deal fairly with Data Domain’s customers, suppliers, competitors and employees.

## 9. Gifts

The purpose of business entertainment and gifts in a commercial setting is to create good will and sound working relationships, not to gain unfair advantage with customers. No gift or entertainment should ever be offered, given, provided or accepted by you unless it:

- is not a cash gift,
- is consistent with customary business practices (including Company-approved SPIFF programs),
- is not excessive in value,
- cannot be construed as a bribe or payoff, and
- does not violate any laws or regulations.

Please discuss with your manager any gifts or proposed gifts that you are not certain are appropriate.

## 10. Discrimination and Harassment

The diversity of Data Domain's employees is a tremendous asset. Data Domain is firmly committed to providing equal opportunity in all aspects of employment and will not tolerate any illegal discrimination or harassment of any kind. Examples of such behavior include derogatory comments based on racial or ethnic characteristics and unwelcome sexual advances. Please consult the Company's employee handbook for more information on this topic.

## 11. Health and Safety

Data Domain strives to provide its employees with a safe and healthy work environment. You are responsible for helping to maintain a safe and healthy workplace for all employees by following safety and health rules and reporting accidents, injuries and unsafe equipment, practices or conditions.

Violence and threatening behavior are not permitted. Employees should report to work in condition to perform their duties, free from the influence of illegal drugs or alcohol. The use illegal drugs in the workplace will not be tolerated. The use of alcohol in the workplace is prohibited other than at Data Domain approved functions. Please consult Data Domain's employee handbook for more information on this topic.

## 12. Communications

Data Domain functions most effectively by establishing and maintaining clear, honest, and open communications; listening carefully; and building our relationships on

the basis of trust, respect, and mutual understanding. Data Domain's advertising, sales and promotional literature seeks to be truthful, accurate and free from false claims.

### 13. Public Disclosure of Information

The federal securities laws require Data Domain to disclose certain information in various reports that the Company must file with or submit to the SEC. In addition, from time to time, Data Domain makes other public communications, such as issuing press releases.

Data Domain expects all directors, officers and employees who are involved in the preparation of SEC reports or other public documents to ensure that the information disclosed in those documents is full, fair, accurate, timely and understandable.

To the extent that you reasonably believe that questionable accounting or auditing conduct or practices have occurred or are occurring, you should report those concerns in compliance with Company's Whistleblower Policy.

### 14. Record-Keeping

Data Domain requires honest and accurate recording and reporting of information in order to make responsible business decisions and to comply with the law. For example, employees who must report their hours worked should only report the true and actual number of hours worked (whether for purposes of individual pay or for purposes of reporting such information to customers). Data Domain also requires each director and employee to disclose any transaction or arrangement among such individual or any family member or affiliated entity of such individual, on the one hand, and any other director, employee or any family member or affiliated entity of such other individual, on the other hand, that in any way relates to or arises out of such individual's professional relationship with Data Domain.

Many employees regularly use business expense accounts, which must be documented and recorded accurately in accordance with the Company's policies. If you are not sure whether you may seek reimbursement for a certain expense, ask your manager or the Chief Financial Officer.

All of Data Domain's books, records, accounts and financial statements must be maintained in reasonable detail, must appropriately reflect Data Domain's transactions and must conform both to applicable legal requirements and to Data Domain's system of internal controls. Unrecorded or "off the books" funds or assets should not be maintained unless permitted by applicable law or regulation.

Business records and communications (even emails) often become public, and you should avoid exaggeration, derogatory remarks, guesswork or inappropriate characterizations of people and companies that can be misunderstood. This policy applies equally to e-mail, internal memos and formal reports. Records should always be retained or destroyed according to Data Domain's record retention policies. In



accordance with those policies, in the event of litigation or governmental investigation, please consult Data Domain's Chief Financial Officer or In-House Counsel.

15. Confidentiality

You must maintain the confidentiality of confidential information entrusted to you by Data Domain or its customers, partners or suppliers, except when disclosure is authorized by Data Domain's established written policies or its Chief Financial Officer or required by laws or regulations. Confidential information includes all non-public information that might be of use to competitors, or harmful to Data Domain's or its customers, partners or suppliers if disclosed, and information that suppliers, partners and customers have entrusted to us. The obligation to preserve confidential information continues even after employment ends. In connection with this obligation, every employee should have executed a confidentiality and proprietary information agreement when he or she began his or her employment with Data Domain.

16. Protection and Proper Use of Data Domain Assets

You should endeavor to protect Data Domain's assets and ensure their efficient use. Any suspected incident of fraud or theft should immediately be reported for investigation. Data Domain equipment should not be used for non-Data Domain business, though limited incidental personal use is permitted.

Your obligation to protect Data Domain's assets includes protecting its proprietary information. Proprietary information includes intellectual property such as trade secrets, patents, trademarks and copyrights, as well as business, marketing and service plans, engineering and manufacturing ideas, designs, databases, records, salary information and any unpublished financial data and reports. Unauthorized use or distribution of such information would violate Data Domain policy and could also be illegal and result in civil or even criminal penalties.

17. Waivers of the Code

Waivers of the Code may only be granted by Data Domain's Chief Executive Officer or Chief Financial Officer; provided, however, that any waiver of the Code for executive officers or directors may be granted only by the Board or a Board committee. Any such waiver of the Code for executive officers or directors, and the reasons for such waiver, will be disclosed in Data Domain's public filings, as required by law or securities market regulations.

18. Reporting Illegal or Unethical Behavior

You are encouraged to talk to managers or other appropriate personnel about observed illegal or unethical behavior or when in doubt about the best course of action in a particular situation. It is the policy of Data Domain not to allow retaliation for reports of misconduct by others made in good faith by employees. You are expected to cooperate in internal investigations of misconduct.

You may, on an anonymous basis, submit a good-faith concern regarding questionable accounting or auditing matters without fear of dismissal or retaliation of any kind.

Concerns or complaints regarding illegal or unethical behavior, accounting or auditing matters or other misconduct may also be reported pursuant to the complaint procedures set forth in the Company's Whistleblower Policy.

#### 19. Compliance Procedures

We must all work to ensure prompt and consistent action against violations of the Code. However, in some situations it is difficult to know if a violation has occurred. Since we cannot anticipate every situation that will arise, it is important that we have a way to approach a new question or problem. These are the steps to keep in mind:

- Make sure you have all the facts. In order to reach the right solutions, we must be as fully informed as possible.
- Ask yourself: What specifically am I being asked to do? Does it seem unethical or improper? These questions will enable you to focus on the specific question you are faced with and the alternatives you have. Use your judgment and common sense; if something seems unethical or improper, it probably is.
- Clarify your responsibility and role. In most situations, there is shared responsibility. Are your colleagues informed? It may help to get others involved and discuss the problem.
- Discuss the problem with your manager. This is the basic guidance for all situations. In many cases, your manager will be more knowledgeable about the question and will appreciate being brought into the decision-making process. Remember that it is your manager's responsibility to help solve problems.
- Seek help from Data Domain resources. In the rare case where it may not be appropriate to discuss an issue with your manager or where you do not feel comfortable approaching your manager with your question, discuss it with Data Domain's In-House Counsel or head of Human Resources or, alternatively, such matters may be reported pursuant to the complaint procedures set forth in the Company's Whistleblower Policy.
- You may report ethical violations in confidence and without fear of retaliation. If your situation requires that your identity be kept secret, your anonymity will be protected to the greatest extent possible. Data Domain does not permit retaliation of any kind against employees for good-faith reports of ethical violations.

- Always ask first, act later. If you are unsure of what to do in any situation, seek guidance.

## 20. Practical Application of this Code

This Code provides a general statement of the expectations of Data Domain regarding the ethical standards that each director, officer and employee should adhere to while acting on behalf of Data Domain. The key to compliance with the Code is consistently exercising good judgment. This means following the spirit of the Code and the law when the Code and the law do not provide specific guidance. When in doubt, you should seek guidance from your manager and you should ask yourself:

- Am I following the spirit, as well as the letter, of both the law and the Code of Conduct (including the guiding principles set forth in the Preface to the Code)?
- Would I want my action reported on TV or the front page of the local press?
- How would I view my actions if another person were taking them?
- Are my actions being motivated by personal interest or some other motivation besides the best interests of the Company?
- Will there be any direct or indirect negative consequence for the Company?