



Document No.	Document Title	Revision
CO2-LEG-04	ANTI-BRIBERY AND IMPROPER PAYMENTS POLICY	B

**1. PURPOSE**

The purpose of this Policy is to ensure compliance with the Foreign Corrupt Practices Act of 1977, as amended (the “FCPA”), and similar legal prohibitions relating to bribery, corruption and improper payments in jurisdictions where Ciena conducts business and operations.

These requirements prohibit Ciena, its subsidiaries, and their respective officers, directors and employees from making payments to Government Officials for the purpose of obtaining, influencing or retaining business, or in order to secure any improper business advantage. These prohibitions apply to actions taken directly by Ciena as well as actions taken on behalf of Ciena by Commercial Representatives.

**2. APPLICATION**

This Policy applies to all officers, directors and employees of Ciena and its subsidiaries. Ciena’s Commercial Representatives must also comply with this Policy and applicable law relating to bribery and improper payments in connection with Ciena’s business and operations.

**3. DEFINITIONS**

“Government Official” means any officer, director or employee of a governmental entity, agency, department or other instrumentality (whether executive, legislative, judicial, administrative or municipal), including any government-owned or controlled entity or enterprise, or of a public international organization. Government Official also includes any person acting in an official capacity on behalf of a government or organization above, or any candidate for public office or representative of a political party.

“Commercial Representative” means a reseller, distributor, agent, representative, consultant or other third party who is used to market and sell, or to facilitate the marketing and sale, of Ciena’s products and services, or obtain any governmental authorization related to Ciena’s operations.

**4. COMPLIANCE WITH APPLICABLE LEGAL REQUIREMENTS**

4.1 Required Legal Compliance. Ciena requires its employees and Commercial Representatives to strictly comply with all applicable legal requirements relating to bribery, corruption and improper payments in each jurisdiction where Ciena conducts business. **Persons covered by this Policy are strictly prohibited from promising, offering, authorizing or providing any payment or other item of value on behalf of Ciena to a Government Official, for the purpose of obtaining, influencing or retaining business, or in order to secure any improper business advantage.**

- 4.2 Facilitating Payments. The FCPA does allow certain types of “facilitating payments” to Government Officials to obtain non-discretionary, routine governmental action, such as obtaining a permit or license, obtaining police protection, or processing a visa, customs invoice or other governmental paper. Determining whether a payment falls within this exception involves significant questions of legal judgment. **Any person seeking to make a facilitating payment relating to Ciena’s business must obtain prior approval of the Legal Department.**
- 4.3 Legitimate Business Expenses. In certain circumstances it may be appropriate to pay for the reasonable travel or lodging of Government Officials (or provide similar services) if it is directly related to a genuine business purpose. For example, it may be appropriate to provide sponsored travel and lodging expenses for a Government Official in connection with the demonstration of Ciena’s products or services. Payment of travel or lodging expense should be made only if doing so is widely accepted, customarily practiced and permissible under local law. Any payment of travel or business expenses must be consistent with Ciena’s standard business practices and employees should ensure only those persons relevant to the commercial opportunity participate in any Ciena sponsored travel. In no event may expenses be incurred or reimbursed for spouses or family members of Government Officials. **Any person seeking to pay travel and lodging expense for a Government Official in connection with Ciena’s business must obtain prior approval of the Legal Department.**
- 4.4 Gifts and Entertainment. Many governments also regulate the types and value of gifts, entertainment and services that may be provided to their officials. Employees should make appropriate inquiries to ensure any gifts or entertainment comply with applicable local legal restrictions. Any gifts or entertainment shall be reasonable and customary in the relevant country and consistent with Ciena’s practices, such as corporate trinkets. Gifts and entertainment expense may not be provided where such payments could damage Ciena’s reputation or it is likely that such items will create the appearance that they are being provided for the purpose of trying to influence any business decision inappropriately. Gifts may not be provided with such regularity or frequency as to create an appearance of impropriety. Gifts to family members or of cash or cash equivalents (gift card or certificates) in any amount are prohibited.
- 4.5 Charitable and Political Donations. As a general matter, it is Ciena’s policy not to make political contributions to Government Officials or political parties for purposes of obtaining, influencing or retaining business on behalf of Ciena. **Any person seeking to make a charitable or political donation to a Government Official or political party on behalf of Ciena, or in furtherance of its business, must obtain prior approval of the Legal Department.**

## 5. ENGAGING COMMERCIAL REPRESENTATIVES

- 5.1 Ciena may have both legal and reputational exposure as a result of the actions of its Commercial Representatives. Ciena can be held responsible for the actions of its Commercial Representatives, even if Ciena is not actively involved in any wrongdoing. All employees must be aware of the potential risks and liabilities associated with using Commercial Representatives and special care must be taken in selecting, engaging and managing Commercial Representatives.
- 5.2 Process for engaging Commercial Representatives. In addition to any other Ciena policies and procedures (including BAAP), the following requirements must be adhered to when engaging Commercial Representatives:

- Due Diligence Review. Employees must conduct, in advance of any engagement, a reasonable due diligence investigation to determine the experience, capability, reputation and integrity of the proposed Commercial Representative.
- Contract Requirements. Before any work can be done on behalf of Ciena, any relationship with a Commercial Representative must be reduced to a written agreement that:
  - specifies the services to be performed;
  - details the compensation arrangement;
  - includes an acknowledgement by the Commercial Representative that it is aware of the FCPA and that the Commercial Representative will not make any payment or transfer anything of value, directly or indirectly, to any Government Official in order to influence any decision to obtain or retain business, or to secure any improper business advantage; and
  - provides for termination by Ciena in the event of a violation of applicable law relating to bribery and corruption.
- Compensation Requirements. Commissions or other compensation to be paid to the Commercial Representative must be reasonable and customary in the local jurisdiction in relationship to the services provided.

## **6. RED FLAGS REQUIRING HEIGHTENED AWARENESS**

In order to ensure that Ciena is acting lawfully and ethically, you should be alert for circumstances or situations that may indicate the potential for violations of this Policy and applicable law. These situations require heightened sensitivity and should be promptly communicated to the Legal Department:

- Commercial Representative is recommended or required by Government Official;
- Lack of business need or Ciena rationale for engaging Commercial Representative;
- Due diligence investigation reveals information that calls into question the experience, reputation or integrity of Commercial Representative;
- Commercial Representative has previous violations of law relating to improper payments or has been the subject of investigations or inquiries relating to payments to Government Officials;
- Commercial Representative discloses inaccurate/incomplete information or refuses to disclose information regarding its business, its principals or its relationships with customer candidate;
- Commercial Representative refuses to comply with requested contractual assurances relating to bribery, anti-corruption and improper payments compliance;
- Commercial Representative requests:
  - unusual or unreasonable commission or compensation arrangement;
  - cash payment or payment up front;
  - payments be made outside of their resident country or to another third party;
- Commercial Representative has family or business relationships with relevant Government Officials;
- Commercial Representative holds a position within political party or is a candidate for office;
- Commercial Representative suggests or makes payments, gifts or gratuities to Government Officials or their families as a way of influencing official action

- Commercial Representative engages or seeks to engage subagents or other third parties or individuals unknown to Ciena; and
- Commercial Representative engages in extravagant entertaining of Government Officials or their families.

## **7. FINANCIAL CONTROLS AND ACCOUNTING**

Ciena is committed to proper financial controls and accounting and maintains a system of internal controls and procedures designed to ensure compliance with the FCPA and applicable anti-bribery laws and regulations. Accordingly, Ciena's books and records must, in reasonable detail, fairly reflect all transactions and payments. False or misleading entries intended to conceal the true nature of a transaction or payment are prohibited. "Off the books" transactions, "slush funds" or similar devices used in Ciena's business are strictly prohibited.

## **8. PENALTIES**

The FCPA and other anti-bribery requirements impose severe criminal and civil liability on both individuals and corporations. If you engage in conduct in violation of these laws, you may be personally subject to fines and criminal sanctions including imprisonment. In addition, persons or companies found in violation of the FCPA may be precluded from doing business with the U.S. government. Violations of applicable law or this Policy will result in discipline by Ciena, up to and including termination of employment. Commercial Representative violating applicable law or this Policy will be subject to unilateral termination by Ciena of any business relationship.

## **9. REPORTING RESPONSIBILITY**

If any person (including any Commercial Representative) becomes aware of any violation of this Policy or applicable law in connection with Ciena's business activities, you must report it promptly. Reporting can be made to any of the following people:

- your Ciena supervisor or a higher-level manager in your management chain;
- appropriate Human Resources personnel;
- the General Counsel or another attorney in the Legal Department; or
- appropriate Internal Audit personnel.

If you prefer, you can report potential violations anonymously via EthicsPoint, an independent reporting service. It may be accessed either:

- at [www.ethicspoint.com](http://www.ethicspoint.com);
- via Ciena's website at [www.ciena.com/corporate/ethics\\_violations.htm](http://www.ciena.com/corporate/ethics_violations.htm);
- through Quick Links on myCiena ("Report a Violation of the Code of Business Conduct"); or
- by telephone using one of EthicsPoint's toll-free domestic and international telephone numbers.

If you have other questions or problems concerning this Policy, please contact Ciena's General Counsel.