

1. PURPOSE

The purpose of this document is to outline the requirements that must be met by Harmonic suppliers.

2. SCOPE

This document applies to all suppliers providing products and services to Harmonic as well as the employees who interact with the suppliers.

Harmonic employees are also subject to Harmonic's Code of Business Conduct & Ethics policy which discuss conflict of interest in additional detail.

3. POLICY

- Harmonic is committed to responsible business practices and ensures that the conditions in the supply chain are safe, that workers are treated with dignity and respect, and the practices are environmentally friendly.
- Harmonic suppliers are expected to operate in full compliance with the laws, rules, and regulations of the countries they operate in. Additionally, the suppliers are expected to comply with the internationally recognized standards in order to advance social and environmental responsibility.
- Harmonic's policy is to select suppliers based on the merits of their products, services and business practices and to purchase supplies based on need, quality, service, price and other terms and conditions of sale. You may not establish a business relationship with any supplier if you know that its business practices violate applicable laws.
- Harmonic endorses Supplier Code of Conduct based on the guidelines set by Electronics Industry Code of Conduct (EICC). Harmonic Supplier Code of Conduct includes a prohibition on human trafficking and slavery outlined on California Transparency in Supply Chain Act of 2010 or CA SB 657.
- Harmonic will communicate the requirements outlined on the Supplier Code of Conduct to its direct suppliers. Harmonic will provide a training to the suppliers on the Supplier Code of Conduct, if requested.
- Harmonic Supplier Code of Conduct requires the direct suppliers to certify that the materials incorporated into Harmonic products comply with the laws regarding slavery and human trafficking of the countries in which they operate in.
- Harmonic will conduct an initial assessment of its primary suppliers to verify the actual or potential risks of slavery and human trafficking occurrences. Harmonic may have the compliance assessed by a third party auditor in the future.
- Harmonic intends to conduct business only with the suppliers that commit to the compliance with the Harmonic Supplier Code of Conduct.

4. REFERENCES

- Electronic Industry Code of Conduct,
<http://eicc.info/documents/EICCCodeofConductEnglish.pdf>

- California Transparency in Supply Chain Act of 2010 or CA SB 657, http://info.sen.ca.gov/pub/09-10/bill/sen/sb_0651-0700/sb_657_bill_20100930_chaptered.html
- European Union Restriction of the Use of Certain Hazardous Substances in Electrical and Electronic Equipment Directive (RoHS Directive) 2011/65/EU, <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2011:174:0088:0110:EN:PDF>
- The Waste Electrical and Electronic Equipment Directive (WEEE Directive) 2002/96/EC, <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:32002L0096:EN:NOT>
- IPC-1752 Material Composition Declaration Standard, <http://www.ipc.org/ContentPage.aspx?pageid=Materials-Declaration>

5. ENVIRONMENTAL, OCCUPATIONAL HEALTH AND SAFETY (EH&S) LAWS

5.1 ELECTRONICS INDUSTRY CODE OF CONDUCT

Harmonic has adopted the requirements of the Electronics Industry Code of Conduct (EICC). Supplier shall acknowledge and implement EICC.

5.2 Work Environment

Harmonic suppliers shall obtain or actively work toward OHSAS 18001 (Occupational, Health & Safety Series) and/or applicable regional equivalent certification.

5.3 Product Safety

Products shall be designed to meet any applicable industry standards (e.g., Underwriters Laboratories, Inc., International Organization for Standardization, International Electrotechnical Commission). In designing products for Harmonic, Supplier shall consider human, environmental and physical factors that have the potential to impact customers.

5.4 Environmental System Compliance

Harmonic primary Contract Manufacturers are required to obtain or plan on achieving third party certification to ISO 14001 (Environmental Management Systems). Harmonic requires that Quality Management System of the suppliers to be certified to ISO 9001 standard.

5.5 Environmentally Restricted Substances

Suppliers warrant all the products provided to Harmonic comply with the European Union Restriction of the Use of Certain Hazardous Substances in Electrical and Electronic Equipment Directive. Certificates of Compliance (CoC) certifying that homogeneous materials, parts, subassemblies, products or packing materials are in compliance with the RoHS directive shall be provided.

5.6 Material Content Declaration

Supplier shall provide a material declaration describing the material content of the products supplied to Harmonic. The material declaration statement shall at a minimum disclose the presence and weight of all restricted and reportable substances as well as their worst case concentration at the homogeneous material level. The IPC-1752 Material Composition Declaration Standard (i.e., IPC-1752-2 (version 1.1) Class 6 form or similar declaration form shall be used.

5.7 Change Management

Suppliers shall immediately notify Harmonic in writing whenever any change (for example, use of a new supplier, discontinuance of original material, change in material or process) will alter the type or quantity of any environmentally restricted or reportable substance.

5.8 California Transparency in Supply Chain Act of 2010

Harmonic is committed to fully comply with the requirements of California Transparency in Supply Chain Act of 2010 or CA SB 657. Harmonic will communicate the requirements to the suppliers and will train the suppliers, if needed. Suppliers to certify that the materials incorporated into Harmonic products comply with the laws regarding slavery and human trafficking of the countries in which they operate in. Harmonic may utilize independent auditors to assess the risk of human trafficking and slavery in Harmonic's supply chain.

5.9 Conflict Minerals

Harmonic is fully committed to ethical sourcing of minerals used in our products and supports the objectives of Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act"), which aims to prevent the use of conflict minerals that directly or indirectly finance or benefit armed groups in The Democratic Republic of the Congo (DRC) and adjoining countries. The current scope of the legislation requires that all companies (starting with extraction, transport, handling, trading, processing, smelting, etc.) in the mineral supply chain that supply or use tin, tantalum, tungsten and their ores or mineral derivatives and gold sourced from conflict-affected or high-risk areas shall follow pertinent regulations, industry-wide supply chain initiatives and international guidelines to conduct due diligence ensuring that they respect human right and contribute to sustainable, equitable and effective development. As an electronics system manufacturer, Harmonic expects its direct suppliers and contract manufacturers fully comply with these requirements.

6. ETHICS

In addition to the requirements of EICC following is expected from the suppliers and the people who interact with them.

6.1 Business integrity

The highest standards of integrity are to be expected in all business interactions. Suppliers shall prohibit any and all forms of corruption, bribery, extortion and embezzlement. See the Section of this Code entitled "Payments, Gifts, Gratuities, Entertainment and Other Favors"

for more specific requirements. Monitoring and enforcement procedures shall be implemented to ensure conformance.

6.2 Personal Integrity and Conduct

Suppliers are expected to conduct themselves in an appropriate manner as judged by a reasonable person. In so doing, suppliers should refrain from:

- creating conflict with others,
- engaging in vulgar or abusive language or conduct toward others,
- engaging in indecent or inappropriate behavior,
- treating anyone in a discourteous, inattentive or unprofessional manner,
- using intimidation tactics or making threats, and
- involving yourself in a situation that could be embarrassing to supplier or Harmonic.

6.3 Payment, Gifts, Gratuities, Entertainment and other favors

- It is Harmonic policy that suppliers refrain from soliciting, accepting or offering a payment or other reward or incentive of any kind to or from Harmonic representatives in order to secure preferential treatment for or from Harmonic.
- Buyers must avoid conflicts of interest between their obligations to the company and their personal affairs. Buyers should not have an economic interest in, or relationship with, any firm, person or corporation doing business with the Harmonic if there is a chance, or a perception, it could influence the Buyer's actions on behalf of the company.
- Under no circumstances shall suppliers offer or accept gifts, entertainment, food or drink, gratuities, lodging, travel, or similar items to or from Harmonic representatives except as they are of nominal value and are incidental to a normal business relationship.
- This policy cannot anticipate every instance where a supplier may be offered something of value; nor can this policy adequately address the business context for every offer of business entertainment. If there is any doubt about the impact that giving or receiving entertainment or gifts could have on either Harmonic' or suppliers reputation, the gift should not be offered or accepted.

6.4 Securities / Insider Trading

Securities laws prohibit the trading of securities on the basis of non-public material information. If supplier becomes aware of material non-public information relating to Harmonic or from Harmonic and relating to third parties with whom Harmonic conducts business (such as Harmonic customers), supplier (including its employees) may not buy or sell shares or other securities of Harmonic or these third parties, disclose this information to others, or direct or encourage someone else to buy or sell such securities until the information has been disclosed to the public.

6.5 International Business

As a company operating internationally, we encounter laws, regulations, policies and customs that may vary widely. The laws of all of the countries in which an associate conducts business must be obeyed.

Among the laws that regulate conduct in international markets, several relate to providing gifts or entertainment and incurring other expenses for government officials.

Others pertain to the export of technology, technical data or products, as well as to the boycott of suppliers and persons. In all cases involving international sales, suppliers should be aware of the appropriate rules and conduct themselves accordingly.

7. TRAINING

Harmonic will provide training on the Supplier Code of Conduct to the personnel of direct suppliers and the Harmonic employees who interact with the suppliers.

8. AUDITING

Harmonic will audit compliance of the suppliers to the Supplier Code of Conduct on a regular basis. Supply Chain management will review the audit findings and act on the violations. Results of the supplier audit will be reported to the management.

9. REPORTING AND MANAGING VIOLATIONS

Any suspected violation of The Code should be promptly reported to Harmonic' General Counsel, whose contact information is as follows:

Harmonic Inc.
Attn: Legal Department
4300 North First Street
San Jose, CA 95134
U.S.A

Harmonic will promptly investigate all reports. Suppliers are encouraged to cooperate fully with an investigation and respond truthfully and thoroughly to any inquiries made by Harmonic and/or its representatives. Violations of this Code by supplier may result in Harmonic ceasing to conduct business with you. Any illegal action(s) will be reported to the appropriate authorities as necessary. Harmonic and suppliers will take the appropriate corrective actions to address the violation and prevent a recurrence.