

## CODE OF BUSINESS CONDUCT AND ETHICS

**1. INTRODUCTION:** This Code of Business Conduct and Ethics promotes:

- honest and ethical conduct
- proper handling of real or perceived conflicts of interest between personal and professional relationships;
- full, fair, accurate, timely and understandable disclosure in reports and documents filed with or submitted to the U.S. Securities and Exchange Commission and in all public communications;
- compliance with applicable laws, rules and regulations;
- the prompt internal reporting of violations of this Code; and
- accountability for adherence to this Code.

This Code applies to all directors, officers and employees of Harmonic and its subsidiaries, who, unless otherwise specified, will be referred to jointly as employees. We are committed to continuously reviewing and updating our policies and procedures to ensure we maintain an environment free from the appearance of impropriety, and a step above legal requirements and statutes. Harmonic therefore reserves the right to modify this Code at any time subject to applicable law.

### 2. GENERAL STANDARDS OF CONDUCT:

**Overview:** Harmonic expects every employee to act in good faith. Honest and ethical conduct is critical to our business; you are not only responsible for your own standards of conduct, but for also raising concerns and behaviors that proactively promote and advocate ethical behavior in Harmonic's work environment.

**Compliance with law:** You are responsible for complying with all applicable federal, state, foreign and local laws, rules and regulations along with any other governmental and regulatory requirements. If compliance with the Code should ever conflict with law, you must comply with the law. You should acquire knowledge of the requirements relating to your duties to enable you to recognize potential conflicts with this policy so you may seek advice from legal counsel, your manager, or other leaders to ensure your actions are in the best interest of the company.

**No discrimination or harassment:** As described more extensively in the Harmonic Policy Prohibiting Harassment and Discrimination, Harmonic is committed to providing a work environment that is free of discrimination and harassment. Harmonic is an equal opportunity



employer and makes employment decisions on the basis of merit and business needs. For more detailed information please reference the Harassment and Discrimination Policy.

### 3. AVOIDING CONFLICTS OF INTERESTS

**Overview:** You should act with honesty and integrity, avoiding actual or perceived conflict of interests in all relationships and activities. Your decisions and actions in the course of your employment with Harmonic should be based on the best interest of Harmonic and not on personal relationships or benefits. You should seek to avoid situations where your personal activities and relationships conflict, or appear to conflict, with the interests of Harmonic, except under guidelines approved by the Board of Directors or the Audit Committee. You must disclose in writing to your manager any interest that you have that may, or may appear to, conflict with the interests of Harmonic. While it would be impractical to attempt to list all possible situations, some common types of conflicts are discussed below.

**Outside employment and directorships:** You should not serve as a board member, director, employee, agent or contractor for any competitor, suppliers, customers, distributors and strategic partners of Harmonic unless previously approved by your manager, Senior Vice President of HR and Vice President, General Counsel. Upon approval of taking on such assignment, any compensation you receive should be commensurate with your duties.

**Financial interests in other companies:** You should not have a financial interest in any organization if that interest would give or appear to give a conflict of interest with Harmonic, subject to the exceptions identified below. You should be particularly sensitive to financial interests in competitors, suppliers, customers, distributors and strategic partners. If you are an employee, you may own less than 1% of a public company, provided that (i) you do not have discretionary authority in dealing with that company and (ii) the investment is not so large financially either in absolute dollars or percentage of your total investment portfolio that it creates the appearance of a conflict of interest. If you are a non-employee director of Harmonic, you may own a financial interest in private or public companies, as long as you inform Harmonic of this ownership.

**Transactions with related parties:** If you have a financial interest in a transaction between Harmonic and a third party (including a significant other) you must disclose that interest, and that interest must be evaluated and approved by the Senior Vice President of HR and CFO. We encourage you to seek guidance if you have any questions as to whether an interest in a transaction is significant. If the transaction is with a "related party," as defined below, the transaction will be subject to review and approval by the Audit Committee of the Board of Directors. A "related party" is any director, executive officer, nominee for election as director, security holder who is known to hold more than five percent of any class of Harmonic's voting securities, and any member of the immediate family of any of the foregoing persons. A "related party" also includes any entity that is affiliated with any of such persons. Any dealings with a related party must be conducted in such a way that no preferential treatment is given to the related party.

**Loans by Harmonic:** Personal loans from Harmonic to directors and executive officers are prohibited. Personal loans from Harmonic to other officers and employees must be approved in advance by the Board of Directors or committee thereof.



**4. PUBLIC COMMUNICATIONS:** If approached by any source outside of Harmonic, you may not communicate on behalf of Harmonic unless you are authorized to do so. If you are not certain of your status, please discuss directly with your manager and/or the Senior Vice President, Chief Marketing Officer. Harmonic has established specific policies regarding who may communicate information to the public, the press, market professionals (such as securities analysts, institutional investors, investment advisors, brokers and dealers) and security holders on behalf of Harmonic. Our Chief Executive Officer and Chief Financial Officer, and their authorized designees, are our official spokespeople for financial matters, and Our Chief Executive Officer, Chief Financial Officer and Divisional Presidents, and their authorized designees, are our official spokespeople for public comment, press, marketing, technical and other such information.

## **5. FINANCIAL REPORTING:**

**Overview:** As a public company, we are required to follow strict accounting principles and standards, to report financial information accurately and completely in accordance with these principles and standards, and to have appropriate internal control over financial reporting to ensure that our accounting and financial reporting complies with law. The integrity of our financial transactions and records is critical to the operation of our business and is a key factor in maintaining the confidence and trust of our employees, stockholders and other stakeholders. Individuals involved in the preparation of public reports and communications must use all reasonable efforts to comply with our disclosure controls and procedures and our internal control over financial reporting, which are designed to ensure full, fair, accurate, timely and understandable disclosure in our public reports and communications. It is also your responsibility to communicate to your supervisor or the Audit Committee (i) all known significant deficiencies in the design or operation of Harmonic's internal control over financial reporting that could adversely affect Harmonic's ability to record, process, summarize, and report financial data and (ii) any fraud, whether or not material, that involves management or any employee of Harmonic. If you wish to remain anonymous, or if you believe that questionable accounting or auditing conduct or practices have occurred or are occurring, you may and should report these matters to the Listen Up program, referenced on our company home page and posted throughout our offices. If you have questions with regard to the program itself, please contact Human Resources.

**Accuracy of records and reports:** It is each employee's responsibility to help ensure that the Board of Directors and, when appropriate, other officers and employees have information that is full, fair, accurate, complete, objective, relevant, timely and understandable. It is important that those who rely on records and reports, managers and other decision makers, creditors, customers and auditors-have complete, accurate and timely information. False, misleading or incomplete information undermines Harmonic's ability to make good decisions about resources, employees and programs and may in some cases result in violations of law. Anyone involved in preparing financial or accounting records or reports, including financial statements and schedules, must be diligent in assuring that those records and reports are complete, accurate and timely. Even if you are not directly involved in financial reporting or accounting, you are likely involved with financial records or reports of some kind-a voucher, time sheet, invoice or expense report.

In addition, most employees have involvement with product, marketing or administrative activities, or performance evaluations, which can affect our reported financial condition or results. Therefore, Harmonic expects you, regardless of whether you are otherwise required to



be familiar with finance or accounting matters, to use all reasonable efforts to ensure that every business record or report with which you deal is accurate, complete and reliable.

**Intentional misconduct:** You may not intentionally misrepresent Harmonic's financial performance or otherwise intentionally compromise the integrity of Harmonic's reports, records, policies and procedures.

**Dealing with independent auditors:** Our auditors have a duty to review our records in a fair and accurate manner. You are expected to cooperate with independent auditors in good faith and in accordance with law. You may not engage, directly or indirectly, with outside auditors to perform any audit, audit-related, tax or other services, without approval from the Chief Financial Officer and the Audit Committee of the Board of Directors.

**Obligation to Report Misconduct:** Dishonest or inaccurate reporting can lead to civil or even criminal liability for you and Harmonic and can lead to a loss of public faith in Harmonic. You are required to promptly report any case of suspected financial or operational misrepresentation or impropriety. You must report these matters in a manner consistent with the Harmonic Legal Compliance Policy (Whistle Blower Policy) that Harmonic has distributed to all employees. Discrimination, retaliation or harassment against any person reporting inaccurate financial reporting is strictly prohibited and appropriate disciplinary action will be taken in response to any substantiated violation.

## 6. SAFEGUARDING HARMONIC'S ASSETS

**Overview:** All employees, agents and contractors are responsible for the proper use of all Harmonic's assets, including your time, work and work product; cash and accounts; physical assets such as inventory, equipment, vehicles, computers, systems, facilities and supplies; intellectual property, such as patents, copyrights, trademarks and trade secrets; and other proprietary or non-public information.

- You should use all reasonable efforts to safeguard company assets against loss, damage, misuse or theft;
- You should responsibly use and control all assets and resources employed or entrusted to you;
- You should share knowledge within Harmonic and maintain skills important and relevant to the needs of other Harmonic employees;
- You should be alert to situations that could lead to loss, damage, misuse or theft of company assets and should report any loss, damage, misuse or theft as soon as it comes to your attention;
- You should not use, transfer, misappropriate, loan, sell or donate company assets without appropriate authorization;
- You must take reasonable steps to ensure that Harmonic receives good value for company funds spent.
- You may not use company assets in a manner that would result in or facilitate the violation of law or company policy; and
- You should use and safeguard assets entrusted to Harmonic's custody by customers, suppliers and others in the same manner as Harmonic's assets.



**Protecting Harmonic's information:** In the course of your involvement with Harmonic, you may come into possession of information that has not been disclosed or made available to the general public. If you have any questions as to what constitutes non-public information, please consult with Harmonic's Chief Financial Officer. All non-public information must only be used for company business purposes only. You have an obligation to respect the confidentiality of non-public information and to use all reasonable efforts to safeguard such information. This responsibility includes protecting non-public information in Internet discussion groups, chat rooms, bulletin boards or other electronic media. In cases where disclosing non-public information is required or necessary, you should coordinate with Harmonic's Chief Financial Officer. The misuse of non-public information is contrary to company policy and may also be a violation of law. Each employee is required to sign an Employment Confidential Information and Invention Assignment Agreement that addresses the use and disclosure of confidential information of Harmonic.

**Prohibition on insider trading:** Material non-public information is information about a company that is not known to the general public and that a typical investor would consider important in making a decision to buy, sell or hold securities. Violations of U.S. securities laws may result in civil and criminal penalties, including disgorgement of profits, civil judgments, fines and jail sentences. You may not directly or indirectly buy or sell stocks or other securities of Harmonic or any other company based on non-public information obtained from your work at Harmonic. In addition, you may not "tip" others by providing them non-public information under circumstances that suggest that you were trying to help them make an investment decision. These obligations are in addition to your obligations with respect to non-public information generally, as discussed above. Under U.S. securities laws, it is in some cases unlawful for any person who has "material" non-public information about a company to trade in the stock or other securities of that company or to disclose such information to others who may trade. Violations of U.S. securities laws may result in civil and criminal penalties, including disgorgement of profits, civil judgments, fines and jail sentences. You should be aware that stock market surveillance techniques are becoming increasingly sophisticated, and the probability that U.S. federal or other regulatory authorities will detect and prosecute even small-level trading is significant. Insider trading rules are strictly enforced, even in instances when the financial transactions seem small. If you have any questions regarding trading in Harmonic's securities, contact Harmonic's Chief Financial Officer for guidance.

**Maintaining and managing records:** Harmonic is required by local, state, federal, foreign and other applicable laws, rules and regulations to retain certain records and to follow specific guidelines in managing its records, including paper and electronic. Civil and criminal penalties for failure to comply with such guidelines can be severe for employees, agents, contractors and Harmonic. You should consult with Harmonic's Corporate Counsel regarding the retention of records in the case of actual or threatened litigation or government investigation. Harmonic's Corporate Counsel will notify you if a legal hold is placed on records for which you are responsible. If you are unsure whether a document has been placed under a legal hold, you should preserve and protect that document until you receive direction from Harmonic's Corporate Counsel or Chief Financial Officer.



## 7. RESPONSIBILITIES TO HARMONIC'S CUSTOMERS, SUPPLIERS AND COMPETITORS

**Overview:** You should respect the rights of, and deal fairly with, Harmonic's customers, suppliers, business partners and competitors in compliance with law. You should not take unfair advantage of anyone through deception, misrepresentation, manipulation, coercion, abuse of privileged information or any intentional unfair business practice.

**Improper payments; Gifts and Entertainment:** You should not authorize, offer, promise or give, or solicit or accept, money, gifts, entertainment, privileges, gratuities, benefits or other items of value intended to improperly influence, directly or indirectly, any business decision or that otherwise violate law or create the appearance of impropriety. However, you may, from time to time, provide or accept business amenities to aid in building legitimate business relationships. Business amenities may include gifts, meals, services, entertainment, reimbursements, loans, favors, privileges or other items of limited value. Any business amenity should be consistent with customary business practice and reasonable and appropriate for the circumstance. Business amenities should not violate law or create an appearance of impropriety. Please note that a business amenity can include an indirect payment, such as an inflated commission or invoice or similar way of providing extra value through indirect channels. You should avoid providing or accepting any cash payment, or other business amenity, that can be construed as a bribe or payoff. All Harmonic funds expended for business amenities must be accurately recorded in Harmonic's books and records. In some business situations outside of the United States, it is customary and lawful for business executives to present gifts to representatives of their business partners. These gifts may be of more than a nominal value, and under the circumstances, returning the gifts or paying for them may be an affront to the giver. If you find yourself in such a situation, you must report the gift to Harmonic's Chief Financial Officer. In some cases, you may be required to turn the gift over to Harmonic. We encourage you to contact Harmonic's Chief Financial Officer if you have any questions as to whether a business amenity is permissible. Please note that special restrictions apply when dealing with government employees. For more information, see the next section on "Working with Governments."

**Selecting suppliers:** 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.

**Handling the non-public information of others:** You must handle the non-public information of others responsibly and in accordance with our agreements with them. Non-public information of others includes notes, reports, conclusions and other materials prepared by a Harmonic employee based on the non-public information of others. You should not knowingly accept information offered by a third party, including a customer, supplier or business partner, that is represented as non-public, or that appears from the context or circumstances to be non-public, unless an appropriate nondisclosure agreement has been signed with the party offering the information. You should contact your Divisional Vice President or Harmonic's Corporate Counsel with questions.

**Free and fair competition:** It is our policy to lawfully compete in the marketplace. Our commitment to fairness includes respecting the rights of our competitors to compete lawfully in



the marketplace and abiding by all applicable laws in the course of competing. You must not enter into a written or oral agreement, express or implied, with any competitor concerning prices, discounts or other terms or conditions of sale; profits or profit margins; costs; allocation of product, customers, markets or territories; limitations on production or supply; boycotts of customers or suppliers; or bids or the intent to bid, or even discuss or exchange information on these subjects. Harmonic is committed to obeying both the letter and spirit of these laws, which are often referred to as antitrust, consumer protection, competition or unfair competition laws. Although the spirit of these laws is straightforward, their application to particular situations can be quite complex. To ensure that Harmonic complies fully with these laws, you should have a basic knowledge of them and should promptly involve our Harmonic's Chief Financial Officer when questionable situations arise.

## 8. WORKING WITH GOVERNMENTS

**Overview:** Employees, agents and contractors of Harmonic should use all reasonable efforts to comply with all applicable laws and regulations governing contact and dealings with governments, government employees and public officials. If you deal with governments, government employees or public officials, you should undertake to understand the special rules that apply. If you have any questions concerning government relations, you should contact Harmonic's Corporate Counsel.

**Government contracts:** All contracts with any governmental entity need to be sent to Harmonic's Corporate Counsel for review and approval.

**Requests by regulatory authorities:** All government requests for company information, documents or investigative interviews should be referred to Harmonic's Corporate Counsel. You should work with Harmonic's Corporate Counsel in responding to requests by regulatory authorities to ensure adequate and complete responses and to avoid improper disclosure of attorney-client privileged materials, trade secret information or other non-public information.

**Improper payments to government officials:** Be aware that what may be permissible in dealings with commercial businesses may be deemed illegal and possibly criminal in dealings with the government. Whether you are located in the United States or abroad, you are also responsible for fully complying with the Foreign Corrupt Practices Act. The Foreign Corrupt Practices Act makes it illegal to offer, pay, promise to pay or authorize to pay any money, gift or other item of value to any foreign official, political party or candidate to assist Harmonic or another to obtain or retain business. All managers and supervisory personnel are expected to monitor continued compliance with the Foreign Corrupt Practices Act.

**Political Contributions:** Harmonic reserves the right to communicate its position on important issues to elected representatives and other government officials. It is Harmonic's policy to comply fully with all local, state, federal, foreign and other applicable laws, rules and regulations regarding political contributions. Harmonic's assets-including company funds, employee's work time and company premises and equipment-must not be used for, or be contributed to, political activities under any circumstances without prior written approval from Harmonic's Chief Financial Officer.

**Lobbying:** You must obtain approval from Harmonic's Chief Financial Officer for any work activity that requires lobbying communication with any member or employee of a legislative



body or with any government official or employee in the formulation of legislation. Work activity covered by this policy includes meetings with legislators or members of their staffs or with senior executive branch officials on behalf of Harmonic. Preparation, research and other background activities that are done in support of such lobbying communication are also covered by this policy even if the communication ultimately is not made.

**Trade restrictions:** Some of the strictest export controls are maintained by the United States against countries that the U.S. government considers unfriendly or as supporting international terrorism. Harmonic's Corporate Counsel can provide you with guidance on which countries are prohibited destinations for company products or whether a proposed technical presentation or the provision of controlled technology to foreign nationals may require a U.S. government license.

## 9. PROCEDURAL MATTERS

**Acknowledgment:** All new employees must sign an acknowledgment form confirming that they have read the Code of Business Conduct and Ethics and that they understand and agree to comply with its provisions. Signed acknowledgment forms must be returned to Human Resources and will be kept in your personnel file. Failure to read the Code or to sign an acknowledgement form does not excuse any person from the terms of the Code.

**Approvals and waivers:** Any waiver of any provision of this Code with respect to any other employee, agent or contractor must be approved in writing by the Senior Vice President of Human Resources, in consultation with the Chief Financial Officer and Corporate Counsel.

**Reporting violations:** You must promptly report violations or suspected violations of this Code to the Senior Vice President of Human Resources. If your situation requires that your identity be kept secret, your anonymity will be preserved to the greatest extent reasonably possible. If you wish to remain anonymous and are not comfortable reporting a violation to the Senior Vice President of Human Resources, you may report any incident or matter in a manner consistent with the Harmonic Legal Compliance Policy (Whistle Blower Policy and Confidential Legal Compliance Hotline Service) that Harmonic has distributed to all employees.

**Discrimination, Retaliation or Harassment:** Harmonic strictly prohibits any discrimination, retaliation or harassment against any person who reports conduct in violation of this code, other company policies or Harmonic's legal duties (including questionable accounting or auditing matters or the reporting of fraudulent financial information) based on the person's reasonable belief that such misconduct occurred. Harmonic also strictly prohibits any discrimination, retaliation or harassment against any person who participates in an investigation of such complaints.

Any complaint that any managers, supervisors or employees are involved in discrimination, retaliation or harassment related to the reporting or investigation of conduct in violation of Harmonic's legal duties will be investigated in accordance with Harmonic's investigation procedures. If a complaint of discrimination, retaliation or harassment is substantiated, appropriate disciplinary action, up to and including discharge (summarily or otherwise), will be taken.

**Additional Enforcement Information:** Federal, state and local law enforcement agencies may be authorized to investigate and prosecute violations of the law. Nothing in this code is intended to prevent you from reporting information to the appropriate governmental agency when you suspect that a violation has occurred or is occurring or from cooperating with a government investigation if



there were to be one.

**False Complaints are not Tolerated:** While this code protects employees acting in good faith from any unfair treatment as a result of reporting, misuse of this protection by making meritless complaints with bad intentions is strictly prohibited. Making a report that is willfully and intentionally false can be the basis for disciplinary action, including termination of employment.

**Investigations:** The Audit Committee will be responsible for investigating violations and determining appropriate disciplinary action for matters involving members of the Board of Directors or executive officers. The Audit Committee may designate others to conduct or manage investigations on its behalf and recommend disciplinary action. Subject to the general authority of the Board of Directors to administer this Code, the Senior Vice President of Human Resources will be responsible for investigating violations and determining appropriate disciplinary action for other employees, agents and contractors. The Senior Vice President of Human Resources may designate others to conduct or manage investigations on their behalf and recommend disciplinary action. The Senior Vice President of Human Resources will periodically report Code violations and the corrective actions taken to the Board of Directors or the Audit Committee. The Board of Directors reserves the right to investigate violations and determine appropriate disciplinary action on its own or to designate others to do so in place of, or in addition to, the Senior Vice President of Human Resources. Harmonic intends to promptly investigate any suspected violations. If it is determined that evidence of a violation exists, the individual subject to investigation will be notified. The subject of an investigation will have an opportunity to respond to any allegations made against that person. A person suspected of violating the Code may be suspended with or without pay while an investigation is conducted. Harmonic will follow local grievance procedures in jurisdictions where such procedures apply.

**Disciplinary action:** Harmonic intends to take appropriate action against any employee, agent or contractor whose actions are found to violate the Code. Disciplinary actions may include, at Harmonic's sole discretion, oral or written reprimand, suspension or immediate termination of employment or business relationship, or any other disciplinary action or combination of disciplinary actions as deemed appropriate to the circumstances Harmonic will strive to enforce the Code in a consistent manner while accounting for all relevant information. An alleged violator may make a written request for reconsideration within 14 days of notification of the final disciplinary decision.

## 10. ADDITIONAL INFORMATION

Nothing in this Code of Business Conduct and Ethics creates or implies an employment contract or term of employment. Employment at Harmonic is employment at-will, unless an employee is precluded from being an at-will employee by applicable law outside of the United States. The policies in this Code do not constitute a complete list of company policies or a complete list of the types of conduct that can result in discipline, up to and including discharge.

