

ANTI-BRIBERY AND IMPROPER PAYMENTS POLICY

Revision

A


Document Number

CO1-LEG-13

Page

1 of 8

	ANTI-BRIBERY AND IMPROPER PAYMENTS POLICY		
	Revision	Document Number	Page
	A	CO1-LEG-13	3 of 8

	ANTI-BRIBERY AND IMPROPER PAYMENTS POLICY	
	Revision	Document Number
	A	CO1-LEG-13
		Page
		4 of 8


procedures are the following requirements, which must be adhered to when engaging Commercial Representatives:

- **Due Diligence Review:** In advance of any engagement, employees must conduct a reasonable, risk-based due diligence evaluation to determine the relevant experience, capability, reputation and integrity of the proposed Commercial Representative, and to determine whether there is a reasonable risk that such Commercial Representative is likely to authorize, make or receive improper payments in the performance of its activities on behalf of Ciena. This evaluation may include, among other things: (i) background checks regarding the reputation and integrity of the Commercial Representative; (ii) an examination of the leadership and/or ownership structure of the Commercial Representative; and (iii) the qualifications of the Commercial Representative to perform the necessary work. The Legal Department shall determine the scope of any additional due diligence evaluation to be performed as a condition of any renewal or extension of an existing Commercial Representative’s engagement.
- **Contract Requirements:** Before *any* work is done or services are performed on behalf of Ciena, the relationship with a Commercial Representative must be reduced to a written agreement that:
 - o specifies the services to be performed;
 - o details the compensation arrangement;
 - o includes an acknowledgement of applicable anti-bribery requirements, and a covenant relating to its compliance with applicable legal requirements relating to bribery, corruption and improper payments;
 - o provides for termination by Ciena in the event of a violation of applicable law relating to bribery, corruption and improper payments; and
 - o complies with any additional contractual requirements established by Ciena’s Legal Department.
- **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 and comply with any additional restrictions, including any compensation limits, established by Ciena’s commercial policies.

6.0 RED FLAGS REQUIRING HEIGHTENED AWARENESS IN DEALINGS WITH COMMERCIAL REPRESENTATIVES


In order to ensure that Ciena is acting lawfully and ethically, you must be alert to circumstances or situations involving Commercial Representatives that may suggest a potential likelihood for violations of this Policy and applicable law. These situations require heightened sensitivity and should be promptly communicated to an attorney the Legal Department:

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	ANTI-BRIBERY AND IMPROPER PAYMENTS POLICY	
	Revision	Document Number
	A	CO1-LEG-13
	Page	
	5 of 8	

Concerns Associated with Evaluation or Engagement of a Commercial Representative:

- Lack of business need or Ciena rationale for engaging Commercial Representative;
- Commercial Representative does not appear to be sufficiently qualified;
- Due diligence investigation reveals information that calls into question the experience, reputation or integrity of the Commercial Representative.

	ANTI-BRIBERY AND IMPROPER PAYMENTS POLICY		
	Revision	Document Number	Page
	A	CO1-LEG-13	6 of 8

7.0 FINANCIAL CONTROLS AND ACCOUNTING

Ciena is committed to proper financial controls and accounting and maintains a system of internal controls over financial reporting and related procedures designed to ensure compliance with applicable anti-bribery laws and regulations. Accordingly, Ciena’s books and records must, in reasonable detail, fairly reflect all transactions, expense and payments. False or misleading entries, fictitious invoices, over-invoices or other misleading documentation intended to conceal the true nature of a transaction, expense or payment are prohibited. “Off the books” transactions, “slush funds”, misuse of corporate reimbursements, use of personal funds with the intent to circumvent this Policy, or similar mechanisms used in Ciena’s business, are strictly prohibited.

8.0 PENALTIES

The FCPA, the Bribery Act, and other legal requirements relating to bribery, corruption and improper payments impose severe criminal and civil liability on the individuals and corporations engaged in the wrongdoing. 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 or the Bribery Act may be precluded from doing business with the U.S. government or government entities in the UK or European Union.

Violations of applicable law or this Policy will result in discipline by Ciena, up to and including termination of employment. Commercial Representatives violating applicable law or this policy will be subject to unilateral termination by Ciena of any business relationship.

9.0 RESPONSIBILITY AND REPORTING

It is the individual responsibility of each person covered by this Policy to ensure strict compliance with this Policy. If you become aware of any violation of this Policy or applicable legal requirement relating to bribery, corruption or improper payments 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;
- the General Counsel or another attorney in the Legal Department; or
- Internal Audit personnel.



ANTI-BRIBERY AND IMPROPER PAYMENTS POLICY

Revision

Document Number

Page

A

CO1-LEG-13

8 of 8

A. Applicable and Reference Documents

Document Name	Document Number
Code of Conduct & Business Ethics	CO1-LEG-03
Gifts & Hospitality Policy	CO1-LEG-12
Business Analysis and Approval Process (BAAP) Process for Engaging and Contracting with Ciena Resellers, Sales Agents and Other Distribution Partners	CO2-LEG-09

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