

## HARMONIC INC.

### CORPORATE GOVERNANCE GUIDELINES

(Amended and Restated as of June 30, 2015)

The corporate governance standards established by the Board of Directors (the “**Board**”) of Harmonic Inc. (the “**Company**”) provide a structure within which directors and management can effectively pursue the Company’s objectives for the benefit of its stockholders. To that end, the Board has adopted the following Corporate Governance Guidelines.

#### THE PRINCIPAL FUNCTIONS OF THE BOARD OF DIRECTORS

##### To Review the Company’s Strategic Direction and Annual Financial Plan and Monitor the Company’s Performance:

- The fundamental role of the members of the Board is to exercise their business judgment to act in what they reasonably believe to be the best interests of the Company and its stockholders. It is the duty of the Board to oversee the Chief Executive Officer and other senior management in the competent and ethical operation of the Company.
- The Board is scheduled to meet at least once a quarter, and each quarterly meeting of the Board will generally include a business and finance update and discussion.
- The Board or a committee of the Board reviews the Company’s annual financial plan. On an ongoing basis during the year, the Board monitors the Company’s performance against its annual financial plan.

##### To Review Management Performance and Compensation:

- The Compensation and Equity Ownership Committee of the Board evaluates compensation for the Company’s executive officers (“**Executive Officers**”) to ensure it is appropriate.
- The Compensation and Equity Ownership Committee annually reviews and approves the compensation, including equity compensation, for the Chief Executive Officer and the other Executive Officers.

##### To Review Management Succession Planning:

- The Board or a committee of the Board reviews the Company’s succession planning efforts for its executive officers based on input from senior management, in particular, the input of the Company’s Chief Executive Officer.

##### To Advise and Counsel Management:

- The Board should be composed of individuals whose knowledge, background, experience and judgment are valuable to the Company, with the ability to provide advice to management.

- Members of the Board have access to management and other employees to help with the Board's advice, counsel and decisions, as well as to the Company's records and documents. The Board may also seek legal or other expert advice from a source independent of management.

To Monitor and Manage Potential Conflicts of Interests of Management, Board Members and Stockholders:

- The Audit Committee of the Board shall review and approve related person transactions for which audit committee approval is required by applicable law or the rules of the Nasdaq Stock Market.

To Provide Oversight of the Integrity of Financial Information and Legal Compliance:

- The Audit Committee provides oversight of the Company's accounting and financial reporting processes and the audit of the Company's financial statements and assists the Board in oversight of (1) the integrity of the Company's financial statements, (2) the Company's compliance with legal and regulatory requirements, (3) the independent auditor's qualifications, independence and performance, and (4) the Company's internal accounting and financial controls.

To Monitor the Effectiveness of the Governance Practices under which the Board Operates and Make Changes as Needed:

- The Corporate Governance and Nominating Committee of the Board shall periodically review and evaluate the effectiveness of the governance practices under which the Board operates and make changes to such practices as needed.

## **BOARD STRUCTURE AND COMPOSITION**

Selection and Evaluation of Board Candidates:

- The Board shall have a majority of directors who meet the criteria for independence established by applicable law, including the Sarbanes-Oxley Act of 2002, the rules and regulations of the Securities and Exchange Commission, and the Nasdaq Stock Market.
- The Corporate Governance and Nominating Committee will approve all nominees for membership on the Board, including the slate of director nominees to be proposed by the Board to the Company's stockholders for election or any director nominees to be elected or appointed by the Board to fill interim director vacancies on the Board.

Selection of Chair and Chief Executive Officer:

- The Board does not have a policy on whether or not the roles of the Chairperson of the Board and Chief Executive Officer should be separate. The Board believes it should be free to determine what is best for the Company at a given point in time.

Term and Term Limits:

- The Company's bylaws provide that the Company's directors shall be elected at each annual meeting of stockholders to hold office until the next annual meeting.

- The Board does not believe it should establish term limits because directors who have developed over time increasing insight into the Company and its operations oftentimes provide an increasing contribution to the Board as a whole.

#### Majority Voting Policy

- In an uncontested election (i.e., an election where the number of nominees is not greater than the number of directors to be elected), a nominee shall be elected by the affirmative vote of the majority of the votes cast at a meeting for the election of directors at which a quorum is present. In a contested election (i.e., an election where the number of nominees is greater than the number of directors to be elected), a nominee shall be elected by a plurality of the votes cast. For purposes of this corporate governance policy, the “affirmative vote of the majority of the votes cast” means the number of shares voted “for” a director’s election exceeds the number of shares “withheld” with respect to that director’s election.
- As a condition to nomination, director nominees are required to submit to the Board an irrevocable resignation that becomes effective only if (i) such nominee fails to receive a majority vote in an uncontested election; and (ii) the Board accepts such nominee’s resignation.
- Should any director nominee fail to receive a majority vote in an uncontested election, the following procedures shall be completed within 90 days following certification of the stockholder vote:
  - The Corporate Governance and Nominating Committee will make a recommendation to the Board as to whether to accept or reject the director’s resignation. The Corporate Governance and Nominating Committee in making its recommendation, and the Board in making its decision, shall evaluate the best interests of the Company and its stockholders and the Board shall decide the action to be taken with respect to such resignation, which can include, without limitation: (i) accepting the resignation; (ii) accepting the resignation effective as of a future date not later than 180 days following certification of the stockholder vote; (iii) rejecting the resignation but addressing what the Board believes to be the underlying cause of the withhold votes; (iv) rejecting the resignation but resolving that the director will not be re-nominated in the future for election; or (v) rejecting the resignation.
  - The Corporate Governance and Nominating Committee in making its recommendation, and the Board in making its decision, may each consider any factors or other information or other information that it considers relevant, including, but not limited to: (i) any stated reasons why stockholders withheld votes from such director; (ii) the extent to which the "withhold" votes exceed the votes "for" the election of the director and whether the "withhold" votes represent a majority of the Company's outstanding shares of common stock; (iii) any alternatives for curing the underlying cause of the withheld votes; (iv) the director's tenure; (v) the director's qualifications; (vi) the director's past and expected future contributions to the Company; (vii) the overall composition of the Board and (viii) whether such director's continued service on the Board for a specified period of time is appropriate in light of current or anticipated events involving the Company.
  - Following the Board's determination, the Company shall, within four business days, publicly disclose by furnishing a report with the SEC the Board's decision as to whether or not to accept the director’s resignation, including a description of the process by which the decision was reached and, if applicable, the Board’s rationale for accepting or rejecting the resignation.

- Any director whose resignation is being considered will not participate in the recommendation of the Corporate Governance and Nominating Committee or the decision of the Board with respect to his or her resignation. If the resignation of a majority of the Corporate Governance and Nominating Committee is triggered by this majority vote policy, then the other independent directors of the Board will appoint a special committee from among themselves for the purpose of considering the resignations and recommending whether to accept or reject them. To the extent that one or more directors' resignations are accepted by the Board, the Corporate Governance and Nominating Committee will recommend to the Board whether to fill such vacancy or vacancies or to reduce the size of the Board.

## **BOARD OPERATIONS AND MEETINGS**

- The items on the agenda are typically determined by the Company's senior management in consultation with the Board. Any director may request that an item be included on the agenda.
- Each member of the Board is expected to ensure that other commitments do not materially interfere with the member's service as a director. To facilitate participation, directors may attend in person or via telephone conference.
- The Board's policy is to schedule separate meetings of the independent directors to follow each regularly scheduled Board meeting. The Non-Executive Chairman of the Board will preside over the meetings of the independent directors, or, in his absence, the other independent directors will select an alternative presiding director.

## **BOARD INTERACTION WITH THIRD PARTIES**

### Board Access to Management:

- After providing written notice to the Company's Chief Executive Officer, members of the Board shall have access to the Company's management and employees. Furthermore, the Board encourages the management to, from time to time, bring managers into meetings of the Board who: (a) can provide additional insight into the items being discussed because of personal involvement in these areas, and/or (b) are managers with future potential that senior management believes should be given exposure to the Board.

### Board Interaction with Other Parties:

- The Board believes that management speaks for the Company. Individual members of the Board may, from time to time, meet or otherwise communicate with various constituencies that are involved with the Company, but it is expected that members of the Board would do this, in most instances, at the request of senior management.

## **COMMITTEES**

- The Board has at least the following three standing committees: an Audit Committee, a Compensation Committee and a Corporate Governance and Nominating Committee.

- All of the members of the Audit Committee, Compensation Committee and Corporate Governance and Nominating Committee will meet the criteria for independence established by applicable law, including the rules and regulations of the Securities and Exchange Commission and the Nasdaq Stock Market. The members of these committees will also meet any other membership criteria specified in the respective charters of such committees.
- Each of the Audit Committee, Compensation Committee and Corporate Governance and Nominating Committee has its own charter. Such charters set forth the policies and responsibilities of the respective committees in addition to the qualifications for membership on such committees.
- The Board and each committee of the Board will have the authority to obtain advice, reports or opinions from internal and external counsel and expert advisers and shall have the power to hire independent legal, financial and other advisers as they may deem necessary, without consulting with, or obtaining approval from, management of the Company in advance.
- The Board may, from time to time, form new committees as it deems appropriate. The Board may, to the fullest extent permitted by law, delegate any of its functions and responsibilities to a committee of the Board.

#### **DIRECTOR COMPENSATION**

- The Corporate Governance and Nominating Committee of the Board will periodically review and recommend to the Board for its approval the cash and equity compensation for members of the Board.

#### **DIRECTOR STOCK OWNERSHIP**

- To further align the interests of non-employee directors and shareholders, the Board has established a stock ownership policy requiring each non-employee director to beneficially own shares of common stock of the Company with a market value equal to at least \$175,000. Non-employee directors are required to comply with the policy by the later of the 2018 Annual Meeting or the fifth anniversary of such director's initial election to the Board. The Corporate Governance and Nominating Committee periodically reviews the stock ownership policy and may recommend policy changes or updates to the Board.

#### **PERFORMANCE EVALUATION**

- The Board, led by the Corporate Governance and Nominating Committee, will annually conduct a self-evaluation to determine whether the Board and its committees are functioning effectively. The full Board will discuss the evaluation to determine what action, if any, could improve Board and committee performance. The Board, with the assistance of the Corporate Governance and Nominating Committee, shall periodically review these Corporate Governance Guidelines to determine whether any changes are appropriate.