NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
TO BE HELD AT 10:00 A.M. PACIFIC TIME ON TUESDAY, JUNE 8, 2021

Dear Stockholders of Harmonic Inc:

You are cordially invited to attend the 2021 annual meeting of stockholders (the "Annual Meeting") of Harmonic Inc., a Delaware corporation (the "Company"), which will be held on Tuesday, June 8, 2021, at 10:00 a.m., Pacific Time. The Annual Meeting will be a virtual meeting held over the Internet. You will be able to attend the Annual Meeting, vote your shares electronically and submit your questions during the live webcast of the meeting by visiting *www.virtualshareholdermeeting.com/HLIT2021* and entering your 16-digit control number located on your proxy card. The meeting will address the following items of business:

1. To elect seven (7) directors to serve until the earlier of the 2022 annual meeting of stockholders or until their successors are elected and qualified or until their earlier resignation or removal;
2. To hold an advisory vote to approve named executive officer compensation;
3. To approve an amendment to the 2002 Employee Stock Purchase Plan to increase the number of shares of common stock reserved for issuance thereunder by 1,000,000 shares;
4. To approve an amendment to the 2002 Director Stock Plan to increase the number of shares of common stock reserved for issuance thereunder by 450,000 shares;
5. To ratify the appointment of Ernst & Young LLP as the independent registered public accounting firm of the Company for its fiscal year ending December 31, 2021; and
6. To transact such other matters as may properly come before the Annual Meeting or any adjournment, postponement or other delay thereof.

By Telephone:

By Internet:

By Mail:

By Scanning:

The foregoing items of business are more fully described in the Proxy Statement accompanying this notice. All stockholders of record at the close of business on Thursday, April 15, 2021, are entitled to notice of and to vote at the Annual Meeting and any adjournment or postponement thereof.

Unless you have previously requested to receive our proxy materials in paper form or by email, you will receive a Notice of Internet Availability of Proxy Materials. Stockholders who continue to receive paper copies of proxy materials may elect to receive future proxy materials via electronic delivery by enrolling at *www.proxyvote.com*.

By Order of the Board of Directors,

Timothy C. Chu
Corporate Secretary

San Jose, California
April 28, 2021

YOUR VOTE IS IMPORTANT. Whether or not you plan to attend the virtual meeting we urge you to submit your vote via the Internet, telephone or mail as soon as possible to ensure your shares are represented. Please refer to your proxy card for additional instructions on voting via the Internet or by telephone. Even if you have voted by proxy, you may still vote in person by attending the virtual meeting.

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Harmonic Inc.

PROXY STATEMENT
2021 ANNUAL MEETING OF STOCKHOLDERS
To Be Held at 10:00 A.M. Pacific Time on Tuesday, June 8, 2021

This proxy statement and the enclosed form of proxy card are furnished in connection with the solicitation of proxies by and on behalf of the Board of Directors (the “Board of Directors” or the “Board”) of Harmonic Inc., a Delaware corporation (“Harmonic,” “we” or the “Company”), for use at the 2021 Annual Meeting of Stockholders and any adjournment(s), postponement(s) or other delays thereof (the “Annual Meeting”) to be held virtually on Tuesday, June 8, 2021, at 10:00 a.m. Pacific Time, for the purposes set forth herein and in the accompanying Notice of Annual Meeting of Stockholders. You will be able to attend the Annual Meeting, vote your shares electronically and submit your questions during the live webcast of the meeting by visiting *www.virtualshareholdermeeting.com/HLIT2021* and entering your 16-digit control number located on your proxy card.

Internet Availability of Proxy Materials

Under rules adopted by the U.S. Securities and Exchange Commission (the “SEC”), we are furnishing proxy materials to our stockholders primarily via the Internet, instead of mailing printed copies of those materials to each stockholder. On or about April [27], 2021, we expect to send to our stockholders (other than those who previously requested electronic or paper delivery) a Notice of Internet Availability of Proxy Materials (the “E-Proxy Notice”) containing instructions on how to access our proxy materials, including our proxy statement (the “Proxy Statement”) and our Annual Report on Form 10-K for the fiscal year ended December 31, 2020 (the “2020 Annual Report”). The E-Proxy Notice also instructs you on how to access your proxy card to vote through the Internet or by telephone.

Who Can Vote at the Annual Meeting

Stockholders as of the close of business on April 15, 2021 (the “Record Date”) are entitled to notice of and to vote at the Annual Meeting. As of the Record Date, 101,087,383 shares of the Company’s common stock, $0.001 par value per share (the “Common Stock”), were issued and outstanding.

Stockholder of Record – Shares Registered in Your Name. If, on April 15, 2021, your shares were registered directly in your name with our transfer agent, Computershare Investor Services, then you are considered the stockholder of record with respect to those shares. As a stockholder of record, you may vote at the Annual Meeting or vote by proxy. Whether or not you plan to attend the virtual Annual Meeting, we urge you to vote over the Internet or by telephone, or if you received paper proxy materials by mail, by filling out and returning the proxy card in the enclosed postage-paid envelope.

Beneficial Owner – Shares Registered in the Name of a Broker or Nominee. If, on April 15, 2021, your shares were held in an account with a brokerage firm, bank or other nominee, then you are the beneficial owner of the shares held in street name. As a beneficial owner, you have the right to direct your nominee on how to vote the shares held in your account, and it has enclosed or provided voting instructions for you to use in directing it on how to vote your shares. However, the organization that holds your shares is considered the stockholder of record for purposes of voting at the Annual Meeting. Because you are not the stockholder of record, you may not vote your shares at the Annual Meeting unless you request and obtain a valid proxy from the organization that holds your shares giving you the right to vote the shares at the Annual Meeting.

How to Vote

If you are a stockholder of record you may vote by proxy or electronically at the Annual Meeting. To vote by proxy, you may vote via the Internet or by telephone by following the instructions provided on the E-Proxy Notice or proxy card, or if you received a paper proxy card and voting instructions by mail, you should sign, date and return the enclosed proxy card in the enclosed postage-paid envelope before the Annual Meeting.

If you are a beneficial owner and not the stockholder of record, please refer to the voting instructions provided by your nominee to direct it on how to vote your shares.

Revocability of Proxies

Any proxy may be revoked by the person giving it at any time before its use at the Annual Meeting by delivering to the Secretary of the Company, at the Company's principal offices at 2590 Orchard Parkway, San Jose, California 95131, a written notice of revocation or a signed proxy bearing a later date, or by voting on a later date by telephone or via the Internet. If you attend the virtual Annual Meeting and vote electronically, any previously submitted proxy will be revoked.

Please note, however, that if you are a beneficial owner and you wish to change or revoke your proxy, you may change your vote by submitting new voting instructions to your broker, bank or other nominee in accordance with their operating procedures or, if you have obtained a legal proxy from your broker, bank or other nominee giving you the right to vote your shares at the Annual Meeting, by attending the virtual Annual Meeting and voting electronically.

Quorum

Each stockholder is entitled to one vote for each share of Common Stock held as of the Record Date on all matters presented at the Annual Meeting. Stockholders do not have the right to cumulate their votes in the election of directors.

The holders of a majority in voting power of the Common Stock issued and outstanding and entitled to vote at the Annual Meeting, present in person or represented by proxy, constitutes a quorum for action at the Annual Meeting. Shares that reflect abstentions and broker non-votes count as present at the Annual Meeting for the purposes of determining a quorum.

Voting Requirements

Proposal 1 – Majority vote for a Director's election. The Company's Corporate Governance Guidelines provide that, in the case of an uncontested election (i.e., an election where the number of director 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 by holders of shares present in person or represented by proxy at a meeting for the election of directors at which a quorum is present. For this purpose, 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. 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.

Proposals 2, 3, 4 and 5 – Majority vote. The advisory vote on named executive officer compensation (Proposal 2 in this Proxy Statement), the amendment to the Company's 2002 Employee Stock Purchase Plan (Proposal 3 in this Proxy Statement), the amendment to the Company's 2002 Director Stock Plan (Proposal 4 in this Proxy Statement), and the ratification of the appointment of the Company's independent registered public accounting firm (Proposal 5 in this Proxy Statement) each require the favorable vote of the holders of a majority of the Common Stock having voting power present in person or represented by proxy and entitled to vote on the proposal.

Treatment of abstentions and broker non-votes. In the election of directors (Proposal 1 in this Proxy Statement), abstentions and broker non-votes will be disregarded and have no effect on the outcome of the vote. With respect to Proposals 2, 3, 4 and 5 in this Proxy Statement, abstentions will have the same effect as voting against the proposal and broker non-votes, if any, will be disregarded and have no effect on the outcome of the vote.

Meaning of "broker non-votes." If you hold shares beneficially in street name (that is, in an account at a bank or broker) and do not provide your bank or broker with voting instructions, your shares may constitute "broker non-votes." Broker non-votes occur on a matter when a bank or broker is not permitted to vote on that matter without instructions from the beneficial owner and instructions are not given. These matters are referred to as "non-routine" matters. All of the matters scheduled to be voted on at the Annual Meeting are "non-routine," except for the ratification of the appointment of the Company's independent registered public accounting firm (Proposal 5 in this Proxy Statement).

Solicitation of Proxies

The Company will bear the cost of soliciting proxies, including the preparation, assembly, Internet hosting, printing and mailing of the E-Proxy Notice, this Proxy Statement, the proxy card and any other proxy materials furnished to stockholders by the Company in connection with the Annual Meeting. In addition, the Company may reimburse brokerage firms and other persons representing beneficial owners of shares for their expenses in forwarding the proxy materials to such beneficial owners. Solicitation of proxies by mail may be supplemented by telephone, facsimile, email, Internet or personal solicitation by directors, officers, employees or independent contractors of the Company. Other than for any such independent contractors, no additional compensation will be paid to such persons for such services.

If You Receive More Than One Proxy Card or E-Proxy Notice

If you receive more than one proxy card or E-Proxy Notice, your shares are registered in more than one name or are registered in different accounts. To make certain all of your shares are voted, please follow the instructions included on the E-Proxy Notice on how to access each proxy card and vote each proxy card over the Internet or by telephone. If you received paper proxy materials by mail, please complete, sign and return each proxy card to ensure that all of your shares are voted.

Stockholder Proposal Procedures and Deadlines

Proposals of stockholders of the Company that are intended to be presented by such stockholders at the Company's 2022 annual meeting of stockholders and that stockholders desire to have included in the Company's proxy materials relating to such meeting pursuant to Rule 14a-8 promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), must be received by Harmonic at its principal offices at 2590 Orchard Parkway, San Jose, California 95131, Attention: Corporate Secretary, no later than December 28, 2021. Any such proposals of stockholders must be in compliance with applicable laws and regulations in order to be considered for possible inclusion in the Company's proxy materials for that meeting.

Proposals of stockholders of the Company that are intended to be presented by such stockholders at the Company's 2022 annual meeting of stockholders and that such stockholders do not desire to have included in the Company's proxy materials for that meeting must be received in writing by Harmonic at its principal offices at 2590 Orchard Parkway, San Jose, California 95131, Attention: Corporate Secretary, no earlier than March 10, 2022 and no later than April 9, 2022.

However, if the date of our 2022 annual meeting occurs more than 30 days before or after June 8, 2022, then notice of a stockholder proposal that is not intended for inclusion in our proxy statement under Rule 14a-8 must be received by the Company no later than the close of business on the later of (i) 90 days prior to next year's annual meeting and (ii) 10 days after public announcement of the annual meeting date.

If a stockholder gives notice of such a proposal after the deadlines described above, the Company's designated proxy holders will be allowed to use their discretionary voting authority to vote against the stockholder proposal when and if the proposal is raised at the Company's 2022 annual meeting of stockholders.

Furthermore, under the Company's amended and restated bylaws (the "Bylaws"), a stockholder's notice of business to be brought before an annual meeting must set forth, as to each proposed matter: (a) a brief description of the business and reason for conducting such business at the meeting; (b) the name and address, as they appear on the Company's books, of the stockholder proposing such business and any associated person of such stockholder; (c) the class and number of shares of the Company owned by the stockholder proposing such business and any associated person of such stockholder; (d) whether, and the extent to which, any hedging or other transaction or series of transactions has been entered into by or on behalf of such stockholder or any associated person of such stockholder with respect to any securities of the Company, and a description of any other agreement, arrangement or understanding, the effect of which is to mitigate loss to, or manage the risk or benefit from share price changes for, or increase or decrease the voting power of, such stockholder or any associated person of such stockholder with respect to the securities of the Company; (e) any material interest of the stockholder or any associated person of such stockholder in such business; and (f) a statement whether either of such stockholder or any associated person of such stockholder will deliver a proxy statement and form of proxy to holders of at least the percentage of the Company's voting shares required under applicable law to carry the proposal. In addition, to be in proper written form, a stockholder's notice to the Secretary of the Company must be supplemented not later than 10 calendar days following the record date to disclose the information contained in clauses (c) and (d) above as of the record date. A copy of the pertinent provisions of the Bylaws is available upon request to Harmonic Inc., 2590 Orchard Parkway, San Jose, California 95131, Attention: Corporate Secretary, or can be accessed from the Company's filings with the SEC at *www.sec.gov*.

Multiple Stockholders Sharing One Address

In some instances, we may deliver to multiple stockholders of record sharing a common address only one copy of the E-Proxy Notice or, if you received paper proxy materials by mail, only one copy of this Proxy Statement and our 2020 Annual Report. If requested orally or in writing, we will promptly provide a separate copy of the E-Proxy Notice or paper proxy materials to a stockholder sharing an address with another stockholder. Requests should be directed to: Harmonic Inc., 2590 Orchard Parkway, San Jose, California 95131, Attention: Corporate Secretary, or to 1-408-542-2500. Beneficial holders sharing a common address and who desire separate copies should contact their brokerage firm or bank.

Stockholders of record sharing an address who currently receive multiple copies of proxy materials or the E-Proxy Notice, and wish to receive only a single copy, should send a signed, written request to the Company at the address noted above. Beneficial holders should contact their brokerage firm or bank.

If You Plan to Attend the Annual Meeting

The Annual Meeting will be a virtual meeting held over the Internet. You will be able to attend the Annual Meeting, vote your shares electronically and submit your questions during the live webcast of the meeting by visiting *www.virtualshareholdermeeting.com/HLIT2021* and entering your 16-digit control number located on your proxy card.

PROPOSAL 1: ELECTION OF DIRECTORS

Seven (7) directors are to be elected at the Annual Meeting. Each of the directors elected at the Annual Meeting will hold office until the earlier of the 2022 annual meeting of stockholders or until such director's successor has been elected and qualified or until such director's earlier resignation or removal.

Unless otherwise instructed, the designated proxy holders will vote the proxies received by them "FOR" the Company's seven nominees named below, all of whom are currently directors of the Company. Each of the nominees was recommended for election by the Company's Corporate Governance and Nominating Committee of the Board of Directors (the "Corporate Governance and Nominating Committee") and the Board of Directors. In the event that any nominee of the Company becomes unable or declines to serve as a director at the time of the Annual Meeting, the designated proxy holders will vote the proxies for any substitute nominee who is designated by the Company's Corporate Governance and Nominating Committee to fill the vacancy. It is not expected that any nominee listed below will be unable or will decline to serve as a director.

The process undertaken by the Corporate Governance and Nominating Committee in recommending qualified director candidates is described below under "Considerations in Evaluating Director Nominees" (see page 12 of this Proxy Statement).

Director Nominees

The names of the nominees for director and certain information about each of them are set forth below. The information presented includes age as of April 1, 2021, positions held, principal occupation and business experience for at least the past five years, and the names of other publicly-held companies of which the nominee currently serves as a director or has served as a director during the past five years. In addition to the information presented below regarding the nominee's specific experience, qualifications, attributes and skills that led our Board to the conclusion that each nominee is qualified to serve as a director, we also believe that all of our director nominees have a reputation for integrity, honesty and adherence to high ethical standards. They each have demonstrated knowledge of our industry, an ability to exercise sound judgment, and a commitment to Harmonic and the Board of Directors. Finally, with respect to our directors who have not been officers of the Company, we value their experience on other public company boards of directors and board committees and as senior officers of other companies. Each of the nominees has consented to being named in this Proxy Statement and to serve as a director if elected.

Name	Director Since	Independent	Principal Occupation
Patrick Gallagher	2007	Yes	Board Director
Patrick J. Harshman	2006	No	President and CEO, Harmonic Inc.
Deborah L. Clifford	2018	Yes	Chief Financial Officer, Autodesk Inc.
David Krall	2018	Yes	Strategic Advisor, Roku
Mitzi Reaugh	2012	Yes	Vice President, Studio Strategy & Analysis, Netflix, Inc.
Susan Swenson	2012	Yes	Board Director
Nikos Theodosopoulos	2015	Yes	Founder, NT Advisors LLC

Except as indicated below, each nominee has been engaged in the principal occupation set forth above during the past five years. There are no family relationships between any directors or executive officers of the Company.

Patrick Gallagher

Age: 66

Board Chair

Board Committees:

Compensation Committee
Corporate Governance & Nominating Committee

Experience

Mr. Gallagher has been a director since October 2007 and was elected Board Chair in April 2013. Mr. Gallagher is currently the board chair of Intercloud SAS, a provider of access solutions to cloud applications, and is a director of Ciena Corporation, a supplier of networking equipment, software and services, where he serves on the compensation committee and is chair of the governance and nominations committee. Mr. Gallagher also currently serves as the board chair of Mirabeau SAS, a privately-held global wine business. From June 2008 to June 2015, he served as a director of Sollers JSC, an automotive manufacturer. Previously, Mr. Gallagher served as the board chair of Ubiquisys Ltd. and Macro 4 plc, vice chair of Golden Telecom Inc., and executive vice chair and chief executive officer of FLAG Telecom Group. Earlier in his career, Mr. Gallagher held senior management positions at BT Group, including group director of strategy & development, president of BT Europe and as a member of the BT executive committee. Mr. Gallagher holds a B.A. in Economics with honors from Warwick University.

Qualifications

We believe that Mr. Gallagher's qualifications to serve on our Board include his more than 30 years of experience in the global telecom, Internet and media industries, with a strong track record in building international businesses. He brings particular strategic and operational insight to Harmonic's international business and has significant experience in chairing both public and private companies.

Patrick Harshman

Age: 56

Board Committees:

None.

Experience

Mr. Harshman has been a director since May 2006. Mr. Harshman joined the Company in 1993 and was appointed President and Chief Executive Officer in May 2006. Prior to 2006, he held several executive leadership positions for Harmonic including management of marketing, international sales, product management, and research and development functions. Mr. Harshman earned a Ph.D. in Electrical Engineering from the University of California, Berkeley, and completed an executive management program at Stanford University.

Qualifications

We believe that Mr. Harshman's qualifications to serve on our Board include his many years of industry experience and extensive customer relationships, his management and operational experience, and his strong background in driving Harmonic's market-leading broadband and video technologies.

Deborah L. Clifford

Age: 47

Board Committees:
Audit Committee

Experience

Ms. Clifford has been a director since October 2018. Ms. Clifford currently serves as the chief financial officer of Autodesk, a leading 3D design, engineering and entertainment software company, where she is responsible for all aspects of finance including accounting, tax and treasury, procurement, operations, financial planning and analysis, investor relations, and corporate development. From July 2019 to March 2021, she served as the chief financial officer of SurveyMonkey, a leading global survey software company. Previously, from September 2005 to June 2019, Ms. Clifford held a variety of finance positions of increasing scope and responsibility at Autodesk, including as vice president of financial planning and analysis, and was a lead architect of Autodesk's financial transformation from selling perpetual licenses to becoming a SaaS provider. Prior to Autodesk, Ms. Clifford held positions at Virage, Inc. and Ernst & Young. Ms. Clifford holds a B.A. in Political Science with a business specialization from the University of California, Los Angeles, and an M.B.A. from the Stanford Graduate School of Business. She is a certified public accountant (inactive) in the state of California.

Qualifications

We believe that Ms. Clifford's qualifications to serve on our Board include her extensive finance, operational and business transformation leadership experience at technology companies.

David Krall

Age: 60

Board Committees:
Compensation Committee
Corporate Governance & Nominating Committee

Experience

Mr. Krall has been a director since February 2018. Mr. Krall has served as a strategic advisor to Roku, Inc., a leading manufacturer of media players for streaming entertainment, since December 2010, and to Universal Audio, Inc., a manufacturer of audio hardware and software plug-ins, since August 2011. In 2010, he served as president and chief operating officer of Roku, where he was responsible for managing all functional areas of the company, and prior to that, Mr. Krall spent two years as president and chief executive officer of QSecure, Inc. From 1995 to July 2007, Mr. Krall held a variety of positions of increasing responsibility and scope at Avid Technology, Inc., including serving as the company's president and chief executive officer for seven years. Earlier in his career, Mr. Krall worked in engineering and project management at several companies. Mr. Krall currently serves on the board of directors of Universal Audio, Inc. and Progress Software Corporation, where he is the chair of the compensation committee, and Mr. Krall is the board chair of Audinate Pty Ltd. He also serves on the boards of privately-held companies WeVideo, Inc. and Rombauer Vineyards. Mr. Krall previously served on the board of Quantum Corporation from August 2011 to March 2017. Mr. Krall holds a B.S. and M.S. in Electrical Engineering from the Massachusetts Institute of Technology and an M.B.A., with distinction, from Harvard Business School.

Qualifications

We believe that Mr. Krall's qualifications to serve on our Board include his many years of executive leadership and board experience at technology companies, and particularly his extensive experience in the digital and streaming media industries.

Mitzi Reaugh

Age: 43

Board Committees:
Compensation Committee (Chair)

Experience

Ms. Reaugh has been a director since July 2012. She is currently vice president, studio strategy and analysis, at Netflix, Inc., a streaming media company. From March 2020 to March 2021, Ms. Reaugh served as a consultant to Verizon Communications Inc., a multinational telecommunications company. From September 2018 to March 2020, she was the chief executive officer and president at Jaunt Inc., an immersive software company, where she was previously vice president, global business development and strategy, from November 2016 to September 2018. Ms. Reaugh was the co-founder and chief executive officer of GoodLooks, LLC, an online marketplace of lifestyle experts from January 2015 to November 2016. From October 2013 to January 2015, Ms. Reaugh was an Executive-in-Residence at The Chernin Group, a media and production investment company. Previously, Ms. Reaugh served in a number of executive leadership roles, including as senior vice president of strategy and business development at Miramax, senior vice president of client solutions at The Nielsen Company, and various leadership roles at NBC Universal. Earlier in her career, she worked as a management consultant at McKinsey & Company. Ms. Reaugh served as a non-executive director on the board of Entertainment One Ltd., from November 2016 to December 2019, where she also served on the audit, nomination, disclosure and remuneration committees. Ms. Reaugh holds an M.B.A. from the University of Pennsylvania Wharton School of Business and a B.A. in Economics from Claremont McKenna College.

Qualifications

We believe that Ms. Reaugh's qualifications to serve on our Board include being a senior digital media executive and having been at the leading edge of the growth of the digital media industry for over twenty years. She also brings extensive strategic experience and insight to the Board.

Susan G. Swenson

Age: 72

Board Committees:
Audit Committee
Corporate Governance & Nominating Committee (Chair)

Experience

Ms. Swenson has been a director since February 2012. Ms. Swenson currently serves on the board of Vislink Technologies, Inc., a provider of wireless video communications products, where she is board chair and chair of the audit committee. Ms. Swenson also serves on the board of Sonim Technologies Inc., a developer of ruggedized specialty mobile phones, and is chair of the compensation committee and is a member of the audit committee. From August 2012 to August 2018, Ms. Swenson served on the board of FirstNet, an independent authority within the NTIA/Department of Commerce responsible for establishing a single nationwide public safety broadband network, and was chair of the board from 2014 to 2018. From October 2015 to June 2017, Ms. Swenson served as chair and chief executive officer of Inseego Corp. (previously Novatel Wireless, Inc.), a provider of wireless Internet solutions, and served as the board chair from April 2014 to June 2017 after joining the Novatel Wireless board in 2012. Previously, Ms. Swenson served in numerous senior executive roles, including as president and chief executive officer of Sage Software - North America, president and chief operating officer of T-Mobile USA and of Leap Wireless International, Inc., president and chief executive officer of Cellular One, and president and chief operating officer of PacTel Cellular. She previously served on the board of Wells Fargo from 1998 to December 2017. Ms. Swenson holds a B.A. in French from San Diego State University.

Qualifications

We believe that Ms. Swenson's qualifications to serve on our Board include her over 30 years of US senior executive experience in the communications industry and her strong technology operations expertise. She brings to the Board two decades of board and committee service, as well as extensive executive experience, from building and growing technology start-up businesses to transforming enterprise businesses to meet market and competitive challenges

Nikos Theodosopoulos

Age: 58

Board Committees:
Audit Committee
(Chair)

Experience

Mr. Theodosopoulos has been a director since March 2015. Mr. Theodosopoulos is the founder of NT Advisors LLC, an advisory and consulting company. From August 1995 through July 2012, Mr. Theodosopoulos served in various capacities with UBS, a global provider of financial services, most recently as managing director of technology equity research. From April 1994 to August 1995, he was a senior equity research analyst for Bear, Stearns & Co., an investment banking firm that was acquired by JPMorgan Chase in 2008, and from January 1990 to April 1994, he worked as an account executive for AT&T Network Systems. Mr. Theodosopoulos serves on the board of Arista Networks, Inc., where he also serves on the audit committee and the nominating and corporate governance committee, and as chair of the supervisory board of ADVA Optical Networking SE, where he also serves on the audit committee and is the chair of the compensation and nomination committee. Theodosopoulos holds a B.S. in Electrical Engineering from Columbia University, a M.S. in Electrical Engineering from Stanford University and an M.B.A. from New York University's Stern School of Business.

Qualifications

We believe that Mr. Theodosopoulos' qualifications to serve on our Board include his significant experience in banking and finance focused on technology companies, and his experience on the boards of directors of major technology companies.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS VOTING "FOR" EACH OF THE DIRECTOR NOMINEES SET FORTH ABOVE.

BOARD OPERATIONS AND CORPORATE GOVERNANCE

Board Leadership

We separate the roles of Chief Executive Officer (“CEO”) and Chairman of the Board in recognition of the differences between the two roles. The CEO is responsible for setting the strategic direction of the Company and for its operational management, leadership and performance, while the independent Chairman of the Board provides guidance to the CEO and sets the agenda for, and presides over, meetings of the full Board.

Board Meetings and Committees

The Board of Directors held a total of eleven (11) meetings during the fiscal year ended December 31, 2020. Each current director attended all of the meetings of the Board, or the committees upon which such director served, in 2020.

The Board has determined that Messrs. Gallagher, Krall and Theodosopoulos, and Mmes. Clifford, Reaugh and Swenson, are “independent” as that term is defined under the applicable rules and regulations of the SEC and under applicable NASDAQ listing standards. In making this determination, the Board considered the current and prior relationships that each non-employee director has with Harmonic and all other facts and circumstances the Board deemed relevant in determining their independence, including the beneficial ownership of the Company’s capital stock by each non-employee director. The independent directors have no relationships with the Company which, in the opinion of the Board, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director.

The Board has an Audit Committee, a Compensation Committee and a Corporate Governance and Nominating Committee.

Audit Committee

The Audit Committee currently consists of Mr. Theodosopoulos and Mmes. Clifford and Swenson, each of whom is independent under Rule 10A-3 of the Exchange Act and under applicable NASDAQ Stock Market listing standards.

Mr. Theodosopoulos serves as the Chairperson of the Audit Committee. The Audit Committee serves as the representative of the Board for general oversight of the quality and integrity of Harmonic’s financial accounting and reporting process, system of internal control over financial reporting, management of financial risks, audit process, and process for monitoring the compliance with related laws and regulations. Each member of the Audit Committee also meets the financial literacy requirements of the applicable NASDAQ listing standards. The Audit Committee engages the Company’s independent registered public accounting firm and approves the scope of both audit and non-audit services. Matters within the scope of the Audit Committee were also discussed in executive sessions at regularly scheduled meetings of the Board in 2020. The Audit Committee held seven (7) meetings during 2020.

The Board has determined that each of Mr. Theodosopoulos and Ms. Clifford is an “audit committee financial expert,” as defined by the current rules of the SEC. The Board believes that Mr. Theodosopoulos’s experience in the communications and finance industries qualifies him as an “audit committee financial expert” because he has acquired relevant expertise and experience from performing his duties as a managing director of technology equity research at a global financial services firm. The Board believes that Ms. Clifford’s experience as a public company chief financial officer and finance executive qualifies her as an “audit committee financial expert.”

The Audit Committee operates under a written charter that was adopted by our board of directors and satisfies the applicable standards of the SEC and applicable NASDAQ listing standards. A copy of our Audit Committee charter is available on our website at www.harmonicinc.com in the Corporate Governance section of the Investor Relations page.

Compensation Committee

The Compensation Committee currently consists of Ms. Reaugh and Messrs. Gallagher and Krall, none of whom is an employee of the Company and each of whom is independent under applicable NASDAQ Stock Market listing standards.

Ms. Reaugh currently serves as the Chairperson of the committee. The Compensation Committee is responsible for approving the Company’s compensation policies, compensation paid to executive officers and administration of the Company’s equity compensation plans. The Compensation Committee held seven (7) meetings during 2020. Matters within the scope of the Compensation Committee were also discussed in executive sessions at regularly scheduled meetings of the Board in 2020.

The Compensation Committee operates under a written charter that was adopted by our board of directors and satisfies the applicable standards of the SEC and applicable NASDAQ listing standards. A copy of our Compensation Committee charter is available on our website at *www.harmonicinc.com* in the Corporate Governance section of the Investor Relations page.

Corporate Governance and Nominating Committee

The Corporate Governance and Nominating Committee currently consists of Ms. Swenson and Messrs. Gallagher and Krall, each of whom is independent under applicable NASDAQ Stock Market listing standards.

Ms. Swenson serves as the Chairperson of the Corporate Governance and Nominating Committee. The Corporate Governance and Nominating Committee serves as the representative of the Board for establishment and oversight of governance policy and the operation, composition and compensation of the Board. The Corporate Governance and Nominating Committee held five (5) meetings in 2020. Matters within the scope of the Corporate Governance and Nominating Committee were discussed in executive sessions at regularly scheduled meetings of the Board in 2020.

The Corporate Governance and Nominating Committee has proposed, and the Board has approved, the nomination of all seven (7) of the current board members for re-election by stockholders at this Annual Meeting.

The Corporate Governance and Nominating Committee operates under a written charter that was adopted by our board of directors and satisfies the applicable standards of the SEC and applicable NASDAQ listing standards. A copy of our Corporate Governance and Nominating Committee charter is available on our website at *www.harmonicinc.com* in the Corporate Governance section of the Investor Relations page.

Meetings of Non-Employee Directors

At each regularly scheduled Board meeting, the non-employee directors meet in an executive session without any members of management or employees present. The Chairman of the Board has the responsibility of presiding over such periodic executive sessions of the Board. Last year, the non-employee directors discussed, in executive sessions, corporate strategy, risk oversight, management performance, Board performance, succession planning for management and the directors, and Board policies, processes and practices.

Corporate Governance Guidelines

The Board has adopted Corporate Governance Guidelines that set forth the key functions of the Board, as well as principles regarding board structure and composition, director voting, board operations and meetings, board interaction with management and third parties, board committees and director compensation. The Corporate Governance Guidelines, in conjunction with our certificate of incorporation, Bylaws and Board committee charters, form the framework for the governance of the Company.

The Corporate Governance Guidelines are available on the Company's website at *www.harmonicinc.com* in the Corporate Governance section of the Investor Relations page. The Corporate Governance Guidelines are reviewed at least annually by our Corporate Governance and Nominating Committee, and changes are recommended to our Board for approval as appropriate.

Social Responsibility and Environmental Policies

We have adopted Social Responsibility and Environmental Policies that set forth our principles regarding human rights and labor practices, environmental responsibility and sustainability, conflict minerals, green and environmental compliance, code of conduct and ethics policy for partners and code of conduct for suppliers. The Social Responsibility and Environmental Policies form the framework for our commitment to global citizenship.

The Social Responsibility and Environmental Policies are available on the Company's website at *www.harmonicinc.com* in the Global Citizenship page. [The information contained on or accessible through our corporate website is not incorporated by reference into and is not a part of this Proxy Statement.]

Code of Business Conduct and Ethics

We have adopted a Code of Business Conduct and Ethics that applies to all of our Board members, officers and employees, which is available on the Company's website at *www.harmonicinc.com* in the Corporate Governance section of the Investor Relations page. Any amendments or waivers of the code pertaining to a member of our Board or one of our executive officers will be disclosed on our website at the above-referenced address.

Role of the Board in Risk Oversight

Management of the Company is responsible for the day-to-day management of risks the Company faces, while the Board has responsibility, as a whole and also at the committee level, for the oversight of the Company's risk management. The Board regularly reviews the Company's long-term business strategy, including industry trends and their potential impact on the Company, our competitive positioning, potential acquisitions and divestitures, as well as the Company's technology and market direction. The Board also reviews information regarding the Company's actual and planned financial position and operational performance, as well as the risks associated with each. The Compensation Committee is responsible for overseeing the management of risks relating to the Company's executive compensation and the Company's incentive, equity award and other benefit plans. The Audit Committee oversees management of financial risks, including, but not limited to, accounting matters, tax positions, insurance coverage and security of the Company's cash reserves, as well as cybersecurity risks. The Corporate Governance and Nominating Committee manages risks associated with the independence and remuneration of the Board and potential conflicts of interest.

At periodic meetings of the Board and its committees, management reports to, and seeks the guidance of, the Board and its committees with respect to the most significant risks that could affect our business. While each committee is responsible for evaluating certain risks and overseeing the management of such risks, the entire Board is periodically informed about such risks by committee reports and receives advice and counsel with respect to risk issues from the Company's outside counsel.

Considerations in Evaluating Director Nominees

Pursuant to the charter of the Corporate Governance and Nominating Committee, the Committee may utilize a variety of methods to identify and evaluate candidates for service on our Board of Directors. Candidates may come to the attention of the Corporate Governance and Nominating Committee through current directors, management, professional search firms, stockholders, outside professionals or other persons. Any candidate presented would be evaluated at a meeting of the Corporate Governance and Nominating Committee or at a regular Board meeting and may be considered at any point during the year.

The Corporate Governance and Nominating Committee may take such measures as it considers appropriate in connection with its evaluation of a candidate, including candidate interviews, inquiry of the person recommending the candidate or reliance on the knowledge of the members of the Corporate Governance and Nominating Committee, members of the Board or management. The Corporate Governance and Nominating Committee has hired, from time to time, a consulting firm to assist it in identifying and screening potential candidates for election to the Board.

In evaluating a candidate, the Corporate Governance and Nominating Committee may consider a variety of criteria. These criteria include, without limitation:

- relevant areas of expertise;
- corporate and technology experience;
- proven achievement;
- operating executive experience;
- understanding of our industry;
- length of service;
- independence;
- potential conflicts of interest and other commitments;
- particular expertise to act as a committee chair or member;
- the ability to devote the necessary time to the Board and committee service; and
- personal character and integrity.

While the Corporate Governance and Nominating Committee does not have a formal policy with respect to diversity, the Corporate Governance and Nominating Committee seeks nominees with a broad diversity of experiences, professions, skills, geographic representation and backgrounds, including racial, ethnic and gender diversity, and considers relevant legal requirements relating to diversity.

The Corporate Governance and Nominating Committee evaluates these factors, among others, and does not assign any particular weighting or priority to any of these factors. The Corporate Governance and Nominating Committee requires the following minimum qualifications to be satisfied by any nominee for a position on the Board of Directors:

- the highest personal and professional ethics and integrity;
- proven achievement and competence in the nominee's field and the ability to exercise sound business judgment, as well as skills that are complementary to those of the existing Board;
- the ability to assist and support management and make significant contributions to our success; and
- an understanding of the fiduciary responsibilities that are required of a member of the Board and the commitment of time and energy necessary to diligently carry out those responsibilities.

With respect to the nomination of continuing directors for re-election, the individual's historical and ongoing contributions to the Board of Directors are also considered. The Corporate Governance and Nominating Committee may also consider such other factors as it may deem, from time to time, are in our and our stockholders' best interests.

The Board believes that the backgrounds and qualifications of the directors, considered as a group, should provide a significant composite mix of experience, knowledge and abilities that will allow the Board to best fulfill its responsibilities. Nominees are not discriminated against on the basis of race, religion, national origin, gender, age, sexual orientation, disability or any other basis proscribed by law.

The Corporate Governance and Nominating Committee has not set either term limits or age limits for members of the Board, believing that the Company's interests are best served by members of the Board with substantial experience and knowledge of the Company's business and that age is generally not a barrier to effective performance as a member of the Board.

Director Recommendations and Nominations from Stockholders

The Corporate Governance and Nominating Committee will consider recommendations from stockholders of individuals for service on the Board of Directors at the 2022 annual meeting of stockholders, provided that such recommendations are submitted in a timely manner in writing to the Corporate Secretary of the Company at Harmonic Inc., 2590 Orchard Parkway, San Jose, California 95131. If a stockholder desires to recommend an individual for consideration by the Corporate Governance and Nominating Committee for nomination by the Board, such recommendation must be received no later than December 28, 2021, which is 120 calendar days prior to the first anniversary of the date of this Proxy Statement first became available to stockholders. In evaluating director candidates recommended by stockholders, the Corporate Governance and Nominating Committee will use the same criteria as it uses to evaluate all prospective members of the Board.

On April 9, 2021, we entered into a cooperation agreement (the "Agreement") with Scopia Capital Management LP ("Scopia"). The Agreement includes provisions regarding various matters including, but not limited to, granting Scopia the right to designate two directors to be appointed to the Board, procedures for determining replacements for the newly appointed directors, voting commitments, "standstills" restricting certain conduct and activities during the periods specified in the Agreement, and other items. A description of the Agreement and a copy thereof are included in a Form 8-K filed with the SEC on April 12, 2021.

For a stockholder nomination of a person for election to the Board at the 2022 annual meeting of stockholders that such stockholder does not desire to have considered by the Corporate Governance and Nominating Committee for nomination by the Board, timely written notice of such nomination must be delivered to the Corporate Secretary of the Company no earlier than March 10, 2022 and no later than April 9, 2022.

To be in proper written form, a stockholder's notice must contain:

(a) as to each person whom the stockholder proposes to nominate for election or re-election as a director,

- the name, age, business address and residence address of the nominee,
- the principal occupation or employment of the nominee,
- the class and number of shares of the Company which are beneficially owned by the nominee and any derivative positions held or beneficially held by the nominee,

- whether, and the extent to which, any hedging or other transaction or series of transactions has been entered into by or on behalf of the nominee with respect to any securities of the Company, and a description of any other agreement, arrangement or understanding, the effect or intent of which is to mitigate loss, manage the risk or benefit from share price changes, or increase or decrease the voting power of the nominee with respect to any securities of the Company,
- a description of all arrangements or understandings between the stockholder and each nominee and any other person or persons (naming such person or persons) pursuant to which the nominations are to be made by the stockholder,
- a written statement executed by the nominee acknowledging that, as a director of the Company, the nominee will owe fiduciary duties under Delaware law with respect to the Company and its stockholders, and
- any other information relating to the nominee that is required to be disclosed in solicitations of proxies for election of directors or is otherwise required, in each case pursuant to Regulation 14A under the Exchange Act (including, without limitation, the nominee's written consent to being named in the proxy statement as a nominee and to serving as a director if elected); and

(b) as to such stockholder proposing a nominee for election to the Board,

- the information set forth in "Stockholder Proposal Procedures and Deadlines" on page 3 of this Proxy Statement for a stockholder notice of business to be brought before an annual meeting, and
- a statement whether either such stockholder or any associated person of such stockholder will deliver a proxy statement and form of proxy to holders of a number of the Company's voting shares reasonably believed by such stockholder or associated person of such stockholder to be necessary to elect such nominee.

A copy of the full text of the provisions of the Bylaws provisions discussed herein may be obtained by writing to Harmonic Inc., 2590 Orchard Parkway, San Jose, California 95131, Attention: Corporate Secretary, or can be accessed from the Company's filings with the SEC at *www.sec.gov*.

Director Compensation

As compensation for its non-employee directors, Harmonic uses a combination of cash and equity-based incentive compensation. Directors who are employees of the Company do not receive additional compensation for their service as directors. Mr. Harshman receives no compensation for his service as a director and compensation earned by Mr. Harshman for his service as CEO is shown in the Summary Compensation Table on page 37 of this Proxy Statement.

The 2020 non-employee director compensation program was developed in consultation with Compensia, Inc. ("Compensia"), an independent compensation consulting firm. Compensia provided recommendations and competitive non-employee director compensation data and analyses. The Corporate Governance and Nominating Committee considered and discussed these recommendations and data, and considered the specific duties and committee responsibilities of particular directors. The Corporate Governance and Nominating Committee recommended, and the Board of Directors adopted Compensia's recommendations when it approved the 2020 non-employee director compensation program described below, which we believe provides our non-employee directors with reasonable and appropriate compensation that is commensurate with the services they provide and competitive with compensation paid by our peers to their non-employee directors.

The Corporate Governance and Nominating Committee periodically reviews the type and form of compensation paid to our non-employee directors, which includes a market assessment and analysis by Compensia. As part of this analysis, Compensia reviews non-employee director compensation trends and data from companies comprising the same executive compensation peer group used by the Compensation Committee in connection with its review of executive compensation.

For 2020, the Board updated the director compensation program based on a peer group benchmarking report provided by Compensia, as follows:

Director Compensation Elements	2019 Compensation	2020 Compensation
Annual Board retainer:	$35,000	$50,000
Annual equity grant:	$120,000 in RSUs, 1 year cliff vest	$150,000 in RSUs, 1 year cliff vest
New director initial equity grant:	$165,000 in RSUs, 1/3 vests per annum	$150,000 in RSUs, prorated to director's start date.
Board chair retainer:	Additional $40,000	Additional $50,000
Committee retainers		
Audit:	Chair: $32,000 Member: $16,000	Chair: $25,000 Member: $10,000
Compensation:	Chair: $18,000 Member: $ 9,000	Chair: $18,500 Member: $ 9,000
Corporate Governance & Nominating:	Chair: $11,000 Member: $ 5,500	Chair: $10,000 Member: $ 5,000

Cash Compensation. Board and Board committee retainers are paid quarterly. In 2020, the retainers for the first quarter were made using the updated 2020 retainer rates. However, due to the business and financial uncertainty created by the onset of the Covid-19 global pandemic, the Board decided to revert to the 2019 retainer rates for the remaining three quarterly payments of 2020. No additional fees were paid for attending in-person or telephonic meetings of the Board or its committees. Starting in the first quarter of 2021, the Board reinstituted the 2020 retainer rates.

Equity Compensation. The 2002 Director Stock Plan, as amended (the "2002 Plan"), currently provides for grants of stock options or restricted stock units ("RSUs") to be made in three ways:

- ***Initial Grants.*** Each new non-employee director who joins the Board (excluding a former employee director who ceases to be an employee director, but who remains a director) is entitled to receive stock options or RSUs, or a mix thereof, on the date that the individual is first appointed or elected to the Board, as determined by the Board in its sole discretion. As outlined above, under the current director compensation programs, a new director would receive a standard annual grant that is prorated to his or her start date.
- ***Ongoing Grants.*** Each non-employee director who has served on the Board for at least six months, as of the date of grant, will receive an annual grant of stock options or RSUs, or a mix thereof, as determined by the Board in its sole discretion. Ongoing grants have historically been made in the first quarter of each fiscal year and have been comprised of only RSUs. Under the Company's 2020 non-employee director compensation program, non-employee directors received an RSU award with a grant date value of $150,000 that vested in full after 1 year.
- ***Discretionary Grants.*** The Board may make discretionary grants of stock options or RSUs, or a mix thereof, to any non-employee director.

In 2019, we instituted a policy allowing our non-employee directors to elect to defer the receipt of RSUs granted as Initial Grants or Ongoing Grants. If so elected, 100% of the RSUs subject to such Initial Grant or Ongoing Grant (as applicable), to the extent vested, will be deferred and paid within 60 days following the earliest to occur of (i) a change in control (as defined within the policy), (ii) the director's separation from service (as defined under Section 409A of the Code) and (iii) the director's death, subject to any required six month delay required under Section 409A of the Code. Non-employee directors may elect to defer their Ongoing Grants before the end of the calendar year to which such grants relate. Unless revoked under the policy's terms, a deferral election will remain in effect with respect to Ongoing Grants made in future years.

2020 Director Compensation

Name	Fees Paid in Cash($)	Stock Awards ($)(1)(2)	Total ($)
Patrick Gallagher	95,625	115,224	210,849
Deborah L. Clifford	53,250	115,224	168,474
David Krall	53,125	115,224	168,349
Mitzi Reaugh	56,875	115,224	172,099
Susan G. Swenson	64,000	115,224	179,224
Nikos Theodosopoulos	68,950	115,224	184,174

(1) The amounts in this column represent the aggregate grant date fair value of awards for grants of RSUs to each listed non-employee director in 2020, computed in accordance with applicable accounting guidance. These amounts do not represent the actual amounts paid to or realized by the directors during 2020 or thereafter. The grant date fair market value of the RSUs is based on the closing market price of the Common Stock on the date of grant.

(2) Grants of RSUs under our 2002 Director Stock Plan were made on March 18, 2020, to each of the Company's non-employee directors. Each RSU grant was for 23,184 shares and vested in full on February 15, 2021. Messrs. Gallagher and Clifford elected to defer the receipt of the shares issuable on settlement of the vested RSUs in accordance with the deferral election described above.

Outstanding Equity Awards at December 31, 2020

The following table provides the number of shares of Common stock subject to outstanding options and RSUs held by non-employee directors of the Company at December 31, 2020.

Name	Unvested Restricted Stock Units Outstanding	Stock Options Outstanding
Patrick Gallagher	23,184	—
Deborah L. Clifford	33,116	—
David Krall	38,208	—
Mitzi Reaugh	23,184	—
Susan G. Swenson	23,184	—
Nikos Theodosopoulos	23,184	30,000

Non-Employee Director Stock Ownership Policy

Under the Board's non-employee director stock ownership policy, each non-employee director is required to beneficially own shares of Common Stock with a market value equal to at least $175,000 (excluding, for the purposes of this calculation, the value of stock options exercisable within 60 days) by the later of the Company's 2018 annual meeting of stockholders or the fifth anniversary of the director's election to the Board. Each non-employee director is in compliance with these guidelines or is on track to be in compliance with these guidelines by the applicable deadline.

Communication with the Board of Directors

The Board believes that management should be the primary means of communication between the Company and all of its constituencies, including stockholders, customers, suppliers and employees. However, stockholders may communicate with individual members of the Board, committees of the Board, or the full Board by addressing correspondence to Harmonic Inc., 2590 Orchard Parkway, San Jose, California 95131, Attention: Corporate Secretary. Our Corporate Secretary or legal department, in consultation with appropriate members of the Board as necessary, will review all incoming communications and, if appropriate, such communications will be forwarded to the appropriate member or members of our Board.

Annual Stockholder Meetings

All seven (7) members of the Board attended the Company's 2020 virtual annual meeting of stockholders telephonically. The Board has a policy encouraging directors to attend annual stockholder meetings.

PROPOSAL 2:
ADVISORY VOTE ON NEO COMPENSATION

Pursuant to Section 14A of the Exchange Act of 1934 as promulgated by the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, we are asking stockholders to vote on the compensation of our named executive officers (the "NEOs"), as named in accordance with applicable SEC rules, on page 27 of this Proxy Statement. This Proposal 2, commonly known as a "say-on-pay" proposal, gives our stockholders the opportunity to express their views on our NEOs' compensation as a whole. This vote is not intended to address any specific item of compensation or any specific named executive officer, but rather the overall compensation of all of our NEOs and the named executive officer compensation philosophy, policies and practices described in this Proxy Statement.

The say-on-pay vote is advisory, and therefore not binding on the Company, the Compensation Committee or the Board. The say-on-pay vote will, however, provide information to us regarding investor sentiment about our NEO compensation philosophy, policies and practices, which the Compensation Committee will be able to consider when determining NEO compensation for the remainder of the current fiscal year and for future fiscal years. Our Board and Compensation Committee value the opinions of our stockholders, and, to the extent there is any significant vote against the NEO compensation as disclosed in this Proxy Statement, we will consider our stockholders' concerns and the Compensation Committee will evaluate whether any action is necessary to address those concerns. At our 2020 annual meeting, our stockholders approved the compensation of our NEOs, with approximately 99% of the shares present and entitled to vote voting in favor of the say-on-pay proposal. As we evaluated our compensation practices and talent needs throughout 2020, we were mindful of the support our stockholders expressed for our philosophy of linking compensation to our financial goals and in support of enhancing stockholder value. As a result, the Compensation Committee decided to retain our general approach with respect to our NEO compensation programs, with an emphasis on delivering long-term and short-term incentive compensation that reward our executives commensurate with the value they deliver to our stockholders. Since 2011, we have held an advisory vote to approve NEO compensation each year, and the next such advisory vote will occur at our 2022 annual meeting.

The Company's goal for its NEO compensation program is to attract, motivate and retain a talented and creative team of executives who will contribute significantly to the long-term success of the Company and the enhancement of stockholder value. As described in the "Compensation Discussion and Analysis" and "Executive Compensation" sections beginning on pages 28 and 37, respectively, of this Proxy Statement, we believe that our NEO compensation program was designed appropriately and is working to ensure management's interests are aligned with our stockholders' interests to support long-term value creation. We would like to highlight the following items that support these beliefs:

- Our Compensation Committee retains an independent compensation consultant to assist it in the evaluation of appropriate cash and equity compensation for executive management.
- The compensation philosophy of our Compensation Committee includes relating each of the individual components of executive management compensation to overall Company performance.
- The compensation philosophy of our Compensation Committee includes tying incentive bonus payments to the achievement of objective performance parameters.
- The compensation philosophy of our Compensation Committee includes putting at risk a significant portion of each executive's total target compensation and rewarding our executive management for superior performance by the Company.
- The compensation philosophy of our Compensation Committee includes reflecting competitive market requirements and strategic business needs in determining the appropriate mix of cash and non-cash, and short-term and long-term, compensation.

Accordingly, we ask our stockholders to vote "FOR" the following resolution at the Annual Meeting:

> "RESOLVED, that the Company's stockholders approve, on an advisory basis, the compensation of the named executive officers, as disclosed in the Company's Proxy Statement for the Annual Meeting of Stockholders pursuant to the compensation disclosure rules of the Securities and Exchange Commission, including the Compensation Discussion and Analysis, the compensation tables and the other related disclosure."

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT YOU VOTE "FOR" THE ADVISORY VOTE APPROVING NAMED EXECUTIVE OFFICER COMPENSATION.

PROPOSAL 3: APPROVAL OF AMENDMENT TO 2002 EMPLOYEE STOCK PURCHASE PLAN

The Company's stockholders are being asked to approve a 1,000,000 share increase in the number of shares of Common Stock reserved for issuance under the Company's 2002 Employee Stock Purchase Plan (the "ESPP").

The ESPP was adopted by the Board of Directors in March 2002 and was approved by our stockholders in May 2002. The ESPP, as initially approved, permitted the issuance of 1,500,000 shares of Common Stock. Amendments to the ESPP, adopted in May 2004, May 2006, May 2009, July 2011, August 2013, July 2014, June 2016, June 2017, June 2018, June 2019 and June 2020 increased the maximum number of shares available for issuance under the ESPP by an additional 16,300,000 shares in the aggregate, resulting in 17,800,000 shares of Common Stock permitted for issuance under the ESPP. As of March 31, 2021, there were 633,519 shares of Common Stock currently available for issuance under the ESPP.

In April 2021, the Board of Directors unanimously approved an amendment to the ESPP, subject to obtaining stockholder approval, to increase the number of shares of Common Stock available for issuance under the ESPP by 1,000,000 shares. If this proposal is approved by our stockholders, the shares reserved and available for issuance under the ESPP for the current offering period and for offering periods commencing on or after July 1, 2021, will be increased by 1,000,000 shares. Based on the Company's current forecasts and estimated participation rates, the Company expects that with this increase, the ESPP will have enough shares of Common Stock to cover ESPP purchases through July 2022.

If this proposal is not approved by the Company's stockholders, the shares reserved and available for issuance under the ESPP will be 633,519, and, based on current forecasts and estimated participation rates, the Company anticipates this would only be enough shares of Common Stock to cover ESPP purchases through January 2022.

The intent of the ESPP is to encourage employees to acquire equity ownership in the Company in an effort to ensure a close alignment of the interests of employees with those of the Company's stockholders. The proposed increase in the number of shares available for issuance under the ESPP will enable the Company to continue to use the ESPP as a valuable tool for attracting and retaining key personnel and aligning the interests of ESPP participants with those of the Company's stockholders. We believe that the ESPP remains an important element of a competitive compensation package, especially for technology companies, as these plans are offered by most public companies with which we compete for employees. Approximately 49% of our employees eligible to participate in the ESPP during the offering period ending July 1, 2021 are participating.

Description of the ESPP

The following is a summary of the principal features of the ESPP and its operation. This summary is qualified in its entirety by reference to the ESPP, a copy of which was filed as Exhibit 10.1 to our Registration Statement on Form S-8, as filed with the SEC on August 11, 2020, except with respect to the increase in the number of shares reserved for issuance noted above.

Purpose. The purpose of the ESPP is to provide employees with an opportunity to purchase Common Stock through payroll deductions.

Administration. The ESPP is administered by the Board of Directors or a committee appointed by the Board of Directors (in either case, the "Administrator"). The Administrator has full and exclusive discretionary authority to construe, interpret and apply the terms of the ESPP, and the Administrator's findings, decisions, and determinations are final and binding upon all parties.

Eligibility. Currently, each of our employees, and each employee of our designated subsidiaries, whose customary employment with the Company or the designated subsidiary is at least 20 hours per week and more than five months in any calendar year, is eligible to participate in the ESPP. As of the beginning of the current offering period on January 1, 2021, approximately 1,118 employees were eligible to participate in the ESPP. No employee who owns stock and/or holds outstanding options to purchase stock that is equal to or greater than 5% of the total combined voting power or value of all classes of our stock may participate in the ESPP. Moreover, no employee may participate to the extent that he or she may purchase Common Stock under all employee stock purchase plans of the Company with a fair market value (determined on the first day of any offering period) in excess of $25,000 in any calendar year.

Shares Available for Issuance. As of March 31, 2021, there were 633,519 shares of Common Stock available for issuance under the ESPP, most of which are expected to be issued on the next purchase date on July 1, 2021, after the end of the current offering period. If our stockholders approve this proposal, an additional 1,000,000 shares will become reserved and available for issuance in the current offering period and for offering periods commencing on or after July 1, 2021.

Offering Period. The ESPP currently has offering periods that have a duration of approximately six months, commencing on the first trading day for Common Stock on or after each January 1 and July 1 and terminating on the last trading day of the period ending approximately six months thereafter. Our Board of Directors has the power to change the commencement date and the duration of future offering periods without stockholder approval, if such change is announced prior to the scheduled beginning of the first offering period to be affected by such change. Each offering period constitutes a purchase period during which shares of Common Stock may be purchased on behalf of the participant in accordance with the terms of the ESPP.

Participation. To participate in the ESPP, an eligible employee must authorize payroll deductions pursuant to the ESPP. Payroll deductions are withheld only in whole percentages of the participant's compensation and cannot exceed 10% of a participant's compensation that she or he receives on each pay day during the offering period.

A participant may not make any additional payments into her or his account other than by payroll deductions. To the extent necessary to comply with Section 423(b)(8) of the Internal Revenue Code of 1986, as amended (the "Code"), and eligibility limitations pursuant to the ESPP, a participant's payroll deductions may be decreased to zero by the participant at any time during an offering period. A participant may decrease, but not increase, the rate of payroll deductions during an offering period, except the Administrator may, in its discretion, limit the nature and/or number of participant rate changes during any offering period.

Grant. The number of shares of Common Stock a participant purchases in each offering period is determined by dividing the total amount of payroll deductions withheld from the participant's compensation during the offering period by the purchase price. However, a participant may purchase no more than 1,500 shares in any offering period.

Purchase Price; Exercise. The Internal Revenue Service views participants in our ESPP as receiving options. The price per share of the shares subject to the option, as permitted by the Code, is the lower of (i) 85% of the fair market value of a share of Common Stock on the first day of the offering period, or (ii) 85% of the fair market value of a share of Common Stock on the purchase date, which is the last day of the offering period. Unless a participant withdraws from the ESPP or her or his employment terminates with us or a designated subsidiary, the participant's option for the purchase of shares is exercised automatically on each purchase date. No fractional shares may be purchased, and any accumulated payroll deductions not sufficient to purchase a full share are retained in the participant's account for the subsequent offering period.

If the number of shares with respect to which options are to be exercised exceed shares available for sale under the ESPP on a purchase date or commencement of an offering period, the Administrator may, in its sole discretion, make a pro rata allocation of the shares available for purchase and either continue the offering period then in effect or terminate the offering period then in effect. The Administrator may make such pro rata allocation of shares notwithstanding any authorization of additional shares for issuance under the ESPP by our stockholders subsequent to the commencement of an offering period.

Withdrawal; Termination of Employment. A participant may withdraw all, but not less than all, the payroll deductions credited to her or his account, and not yet used to exercise her or his option, under the ESPP at any time by written notice to the Company. If a participant withdraws from an offering period, no further payroll deductions by the participant will be made during the offering period and payroll deductions will not automatically resume at the beginning of the succeeding offering period. Additionally, payroll deductions credited to the participant's account during the offering period, but not yet used to exercise the option, will be returned to the participant or, in the case of her or his death, to the person or persons entitled thereto, and the participant's option will automatically terminate. Withdrawal from an offering period has no effect upon a participant's eligibility to participate in subsequent offering periods. If a participant fails to remain as our employee or an employee of a designated subsidiary, or ceases to meet the ESPP eligibility requirements, she or he is deemed to have withdrawn from the ESPP.

Adjustments upon Changes in Capitalization and Certain Transactions. Any increase or decrease in the number of issued shares of Common Stock resulting from a stock split, payment of a stock dividend, or any other increase or decrease in the number of shares of Common Stock effected without the Company receiving consideration will proportionately adjust the:

1. number of shares of Common Stock covered by each ESPP option;
2. number of shares of Common Stock each participant may purchase in an offering period;
3. number of shares of Common Stock available for sale under the ESPP; and

4. price per share of Common Stock covered by each ESPP option.

Any other issuance by the Company of shares of stock of any class, or securities convertible into shares of stock of any class, will not affect the number or price of shares of Common Stock subject to an ESPP option.

In the event of a proposed dissolution or liquidation of the Company, an offering period will be shortened by setting a new purchase date, and terminated immediately prior to the consummation of the proposed dissolution or liquidation, unless the Administrator provides otherwise.

In the event of a merger or change of control of the Company, each outstanding option under the ESPP will be assumed or an equivalent option substituted by the successor corporation or a parent or subsidiary of the successor corporation. If the successor corporation refuses to assume, or substitute for, the option, any offering period then in progress under the ESPP is shortened by setting a new purchase date and terminated before the date of the proposed merger or change of control. The Administrator will notify each participant in writing prior to the new purchase date that her or his option will be automatically exercised on the new purchase date, unless prior to such date the participant has withdrawn from the offering period.

Amendment or Termination. The Administrator may, at any time and for any reason, terminate or amend the ESPP, except that no terminations can affect options previously granted, other than certain terminations specified in the ESPP. Without stockholder approval and without regard to whether any participant rights may be considered to have been adversely affected, the Administrator is entitled to:

1. change the offering periods;
2. limit the frequency and number of changes in the amount withheld during an offering period;
3. establish the exchange ratio applicable to amounts withheld in a currency other than U.S. dollars;
4. permit payroll withholding in excess of the amount designated by a participant in order to adjust for delays or mistakes in our processing of properly completed withholding elections;
5. establish reasonable waiting and adjustment periods and accounting and crediting procedures to ensure that amounts applied toward the purchase of Common Stock properly correspond with amounts withheld; and
6. establish such other limitations or procedures as the Administrator determines, in its sole discretion, to be advisable and which are consistent with the ESPP.

In the event the Administrator determines that the ongoing operation of the ESPP may result in unfavorable financial accounting consequences, the Board may, in its discretion, without stockholder approval or the consent of any participant, and to the extent necessary or desirable, modify or amend the ESPP to reduce or eliminate such accounting consequence, including, without limitation, by (i) increasing the purchase price for any offering period, including an offering period underway at the time of Board action, (ii)shortening any offering period so that offering period ends on a new purchase date, including an offering period underway at the time of the Board action, and (iii) allocating shares.

Number of Shares Purchased by Certain Individuals and Groups

Given that the number of shares that may be purchased under the ESPP is determined, in part, by the Common Stock's market value at the beginning and end of each offering period (or upon a purchase date within an offering period), and given that participation in the ESPP is voluntary on the part of employees, the actual number of shares that may be purchased by any individual is not determinable. For illustrative purposes, the following table sets forth (a) the number of shares of Common Stock that were purchased under the ESPP during fiscal year 2020 by our NEOs, as a group, and by our employees who are not NEOs, as a group, and (b) the weighted average per share purchase price paid for such shares by each such group.

	ESPP Transactions 2020	
	Number of Shares Purchased	**Weighted Average Purchase Price**
All named executive officers as a group (5 persons)	5,903	$4.34
All employees, other than named executive officers, as a group (550 persons)(1)	1,030,640	$4.34

(1) We had 1,170 employees as of December 31, 2020, 50 of which were not eligible to participate in the ESPP due to being located in countries where the Company does not offer the ESPP.

Tax Aspects

The following brief summary of the effect of U.S. federal income taxation upon a participant and the Company with respect to the shares purchased under the ESPP does not purport to be complete, and does not discuss such tax consequences with respect to a participant's death or the income tax laws of any state or foreign country in which the participant may reside.

The ESPP, and the right of participants to make purchases thereunder, is intended to qualify under the provisions of Sections 421 and 423 of the Code. Under these provisions, an employee will not have taxable income when the shares of Common Stock are purchased, but the employee generally will have taxable income when the employee sells or otherwise disposes of shares purchased under the ESPP.

Upon sale or other disposition of the shares, the participant will generally be subject to tax in an amount that depends upon the holding period. If the shares are sold or otherwise disposed of more than two years from the first day of the applicable offering period and one year from the applicable purchase date, the participant will recognize ordinary income measured as the lesser of (a) the excess of the fair market value of the shares at the time of such sale or disposition over the purchase price, or (b) an amount equal to 15% of the fair market value of the shares as of the first day of the applicable offering period. Any additional gain will be treated as long-term capital gain. If the shares are sold or otherwise disposed of before the expiration of either of these holding periods, the participant will recognize ordinary income generally measured as the excess of the fair market value of the shares, on the date the shares are purchased, over the purchase price. Any additional gain or loss on such sale or disposition will be long-term or short-term capital gain or loss, depending on how long the shares have been held from the purchase date. The Company generally is not entitled to a deduction for amounts taxed as ordinary income or capital gain to a participant, except to the extent of ordinary income recognized by participants upon a sale or disposition of shares prior to the expiration of the holding periods described above.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS VOTING "FOR" THE APPROVAL OF THE PROPOSED AMENDMENT TO THE 2002 EMPLOYEE STOCK PURCHASE PLAN TO INCREASE THE NUMBER OF SHARES OF COMMON STOCK RESERVED FOR ISSUANCE THEREUNDER BY 1,000,000 SHARES.

PROPOSAL 4:
APPROVAL OF AMENDMENT TO 2002 DIRECTOR STOCK PLAN

The Company's stockholders are being asked to approve an amendment to the Company's 2002 Director Stock Plan (the "2002 Plan") to increase the number of shares of common stock reserved for issuance thereunder by 450,000 shares.

The 2002 Plan is the only equity plan of the Company available for grant of equity awards to the Company's non-employee directors. As of March 31, 2021, options to purchase an aggregate of 30,000 shares of the Company's common stock were outstanding under the 2002 Plan, with a weighted average exercise price of $7.58 per share and a weighted average term of 0.95 years remaining. In addition, a total of 124,874 RSUs issued under the 2002 Plan had not yet vested. As of March 31, 2021, 188,872 shares were available for future grant under the 2002 Plan (excluding the 450,000 shares discussed in this proposal and subject to approval at the Annual Meeting).

If this share increase is not approved, then the remaining shares available for grants under the 2002 Plan will be insufficient to meet the Company's grant needs for anticipated non-employee director equity grants beyond 2024. Historically, the Company makes its non-employee director equity grants in the first quarter of each fiscal year.

Proposed Amendment

The 2002 Plan currently permits us to grant a broad range of equity awards to directors of the Company. We established the 2002 Plan in order to assist the Company in attracting and retaining strong board members for the successful conduct and growth of the Company's business. The Company believes that the 2002 Plan is an essential tool to link the long-term interests of stockholders and directors and is critical to the Company's ability to attract and retain directors.

In April 2021, our Board of Directors approved amending the 2002 Plan, subject to stockholder approval at the Annual Meeting. The proposed amendment would increase the number of shares reserved for issuance under the 2002 Plan by 450,000 shares. Based on the data available as of March 31, 2021, the additional shares would increase the total number of shares available for grant under the 2002 Plan to 638,872.

We are seeking stockholder approval to increase the number of shares of Common Stock issuable under the 2002 Plan by 450,000 shares in order to have enough shares available under the 2002 Plan to make anticipated grants to our non-employee directors for the next three years. The Company expects that it may need to seek approval from our stockholders again in 2024 and to increase the shares reserved under the 2002 Plan to be able to make the anticipated non-employee director grants for future years following 2024.

In determining the number of shares to be added to the 2002 Plan if this proposal is approved, the Board of Directors considered the following:

- As of April 1, 2021, the number of shares subject to awards granted to the Company's non-employee directors in 2021 is 114,942 shares in the aggregate, or 19,157 shares per non-employee director in 2021.
- Over the last 3 fiscal years, the aggregate number of shares subject to awards granted to the Company's non-employee directors was 416,516 in 2018, 148,666 in 2019 and 139,104 in 2020, and ranged from 21,238 to 45,070 on an individual basis.
- There are currently 188,872 shares available for future grant under the 2002 Plan, and the Board expects to make equity awards with a value of approximately $150,000 to each incumbent non-employee director, as well as any new non-employee directors, in 2022. Over the last several years, the Company has granted these awards in the first quarter of each fiscal year. The precise timing of the granting of these awards has not yet been determined. However, the Company believes the currently available shares may be insufficient to cover these anticipated grants, particularly if the share price of the Company were to decrease from current levels.

The Company's non-employee director compensation program is weighted in favor of equity compensation over cash compensation. This design is intended so that the interests of the Company's non-directors are more closely aligned with the Company's stockholders. If this proposal does not pass and the Company may not able to grant equity awards to non-employee directors based on future anticipated needs, it may need to consider providing additional cash compensation to provide compensate the Company's non-employee directors for their services in order to retain the directors. The Company does not believe providing more cash compensation to the Company's non-employee directors would be the best use of our cash resources.

Approval of this proposal requires the affirmative vote of the holders of a majority of the shares of Common Stock that are present in person or by proxy and entitled to vote at our 2021 Annual Meeting.

Our Company's non-employee directors have an interest in this proposal as they may receive stock options or RSUs under the terms of the 2002 Plan.

Summary of the 2002 Plan

The following is a summary of the principal features of the 2002 Plan, and its operation. This summary is qualified in its entirety by reference to the 2002 Plan, a copy of which was filed as Appendix B to our Proxy Statement, as filed with the SEC on April 26, 2019, except with respect to the increase in the number of shares reserved for issuance noted above.

Purposes. The purposes of the 2002 Plan are to attract the best available persons for service as non-employee directors of our Company and to encourage their continued service on our Board of Directors.

Term of Plan. The 2002 Plan is set to expire on March 1, 2025.

Eligibility. Only non-employee directors are eligible to receive awards under the 2002 Plan. Currently, our Board of Directors consists of seven directors, of whom six are non-employee directors. Mr. Harshman, our current President and Chief Executive Officer, is not eligible to receive awards under the 2002 Plan.

Shares Subject to the Plan. Currently, the maximum aggregate number of shares which may be granted, either as stock options or RSUs, and sold under the 2002 Plan is 3,150,000 shares. As of March 31, 2021, 188,872 shares of Common Stock remain available for grant under the 2002 Plan. If this proposal is approved by our stockholders, an additional 450,000 shares will become available to be awarded under the 2002 Plan. The shares may be authorized, but unissued, or reacquired shares of Common Stock.

Share Counting Provisions. Each award of RSUs will count against the 2002 Plan share reserve as 1 share for every unit granted. Conversely, the forfeiture of any unvested RSUs will result in a credit to the 2002 Plan reserve of 1 share for every unit forfeited. Each option award will count against the 2002 Plan reserve 1 share for every share subject to the option, and the forfeiture of unvested shares subject to an option will result in a credit to the 2002 Plan reserve of 1 share for every share forfeited.

No Repricing or Exchange Program. No option granted under the 2002 Plan may be repriced without stockholder approval, including by means of an exchange for another award.

Administration. The 2002 Plan provides for grants of awards to be made in three ways:

1. *Initial Grants*. Each new non-employee director who joins the Board (excluding a former employee director who ceases to be an employee, but who remains a director) is entitled to receive stock options or RSUs, or a mix thereof, on the date that the individual is first appointed or elected to the Board, as determined by the Board in its sole discretion. An employee director who ceases to be an employee director, but who remains a director, will not receive this initial award.
2. *Ongoing Grants*. Each non-employee director who has served on the Board for at least six months, as of the date of grant, will receive an annual grant of stock options or RSUs, or a mix thereof, as determined by the Board in its sole discretion.
3. *Discretionary Grants.* The Board may make discretionary grants of stock options or RSUs (or a combination of options and RSUs) to any non-employee director.

Terms of Awards. Each award of RSUs or stock options is evidenced by a written agreement between us and the applicable non-employee director in such form, and subject to such terms and conditions, including vesting provisions, as the Board shall approve. Options are subject to the following terms and conditions:

1. *Option Term*. The term of options may not exceed seven years.
2. *Exercise Price.* The exercise price per share may not be less than 100% of the fair market value per share of the Common Stock on the grant date.
3. *Termination of Continuous Status as Director.* If a non-employee director's status as a director terminates, all of their vested options expire upon the earlier of the options' original maximum term or three years following such termination of service.
4. *Non-transferability of Options.* Options granted under the 2002 Plan are not transferable other than by will or the laws of descent and distribution, and may be exercised, during the non-employee director's lifetime, only by the non-employee director.

Annual Limit. The 2002 Plan includes a limit of $600,000 that may be paid, issued or granted to any non-employee director in any fiscal year of the Company pursuant to cash compensation and equity awards (including awards issued under the 2002 Plan). For purposes of calculating this limit, the value of equity awards will be based on grant date fair value in accordance with generally accepted accounting principles. Any compensation paid or granted to an individual with respect to his or her services as an employee or consultant will not count for purposes of the annual limit.

Adjustments upon Changes in Capitalization, Dissolution, Merger or Change-in-Control. In the event of a stock split, reverse stock split, stock dividend, or any combination or reclassification of the Common Stock, or other similar change in our capital structure effected without receipt of consideration by us, proportionate adjustments will be made to the number of shares covered by each outstanding award, the number of shares authorized for issuance that remain available to be granted under the 2002 Plan, and the exercise price of each outstanding stock option. For this purpose, any conversion of convertible securities is not considered effected without our receiving consideration.

In the event of a proposed dissolution or liquidation of the Company, any unexercised options and unvested RSUs will terminate prior to the consummation of such proposed action.

If a successor corporation assumes or substitutes the options under the 2002 Plan as a result of a merger of the Company with or into another corporation or a change-in-control of the Company, as defined in the 2002 Plan (a “Change-in-Control”), such options will remain exercisable in accordance with the 2002 Plan. In the event of a Change-in-Control, all options and RSUs held by non-employee directors immediately become fully vested.

Amendment and Termination of the 2002 Plan. The Board may at any time amend, alter, suspend, or discontinue the 2002 Plan to the extent such actions do not impair the rights of any recipient of awards under the 2002 Plan, unless he or she consents. To the extent necessary and desirable to comply with any applicable law, regulation or stock exchange rule, the Company must obtain stockholder approval of any 2002 Plan amendment in the manner or to the degree required.

Certain Federal Income Tax Information

Stock Options. Options granted under the 2002 Plan are nonstatutory options and do not qualify as incentive stock options under Section 422 of the Internal Revenue Code of 1986, as amended (the “Code”). An optionee will not recognize any taxable income at the time of grant of a nonstatutory option. However, upon its exercise, the optionee will recognize ordinary income for tax purposes measured by the excess of the fair market value of the shares on the date of exercise over the exercise price. The Company will be entitled to a tax deduction in the amount and at the time that the optionee recognizes ordinary income with respect to shares acquired upon exercise of an option.

Restricted Stock Units. A participant will not have taxable income upon grant of an RSU. Instead, he or she will recognize ordinary income at the time of settlement equal to the fair market value of the delivered shares. The Company will be entitled to a tax deduction in the amount and at the time that the non-employee director recognizes ordinary income with respect to shares acquired upon settlement of an RSU.

The foregoing summary of the federal income tax consequences of the 2002 Plan transactions is based on U.S. federal income tax laws in effect on the date of this Proxy Statement. This summary is not intended to be complete and does not describe foreign, state, or local tax consequences.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS VOTING “FOR” THE AMENDMENT TO THE COMPANY’S 2002 DIRECTOR STOCK PLAN TO INCREASE THE NUMBER OF SHARES OF COMMON STOCK RESERVED FOR ISSUANCE THEREUNDER BY 450,000 SHARES.

PROPOSAL 5:
RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Audit Committee of the Board has appointed Ernst & Young LLP ("EY"), an independent registered public accounting firm, to audit the financial statements of the Company for the year ending December 31, 2021. EY has served as the Company's independent registered public accounting firm since March 2021. Prior to EY's appointment, Armanino LLP ("Armanino") served as the Company's independent registered public accounting firm for the fiscal years ended December 31, 2020 and 2019.

Stockholder approval is not required for the appointment of EY, as the Audit Committee has the responsibility for selecting an independent registered public accounting firm. However, the Board is submitting the selection of EY to the stockholders for ratification as a matter of good corporate practice. In the event of a negative vote on the ratification of EY, the Audit Committee may reconsider its selection. Representatives of EY are expected to be present at the Annual Meeting and will have the opportunity to make a statement if they so desire. The representatives also are expected to be available to respond to appropriate questions from stockholders. Representatives of Armanino are not expected to be present at the Annual Meeting or to be available to respond to appropriate questions from stockholders, and will not have the opportunity to make a statement if they so desire.

Independent Registered Public Accounting Firm Fees

Aggregate fees for professional services rendered for the Company by the Company's previous independent registered public accounting firm, Armanino, for the years ended December 31, 2020 and 2019 were as follows:

	2020	2019
	(In thousands)	
Audit Fees	$1,106	$1,361
Audit-Related Fees	—	—
Tax Fees	3	3
All Other Fees	34	34
Total	$1,132	$1,398

Audit Fees. These amounts represent fees billed for professional services rendered for the audit of our consolidated financial statements and review of interim statements included in quarterly reports and services that are normally provided by Armanino in connection with statutory and regulatory filings or engagements.

Audit-Related Fees. These amounts represent fees billed for assurance and related services by Armanino that are reasonably related to the performance of the audit or review of the Company's financial statements and are not reported under Audit Fees.

Tax Fees. These amounts represent fees billed by an affiliate of Armanino for international tax compliance.

All Other Fees. These amounts represent fees billed by an affiliate of Armanino for reviewing reports provided by our subsidiary in Switzerland to a Swiss financial regulatory authority. Consistent with its charter, the Audit Committee pre-approves all audit and non-audit services from our independent registered public accounting firm and did so in 2020. Pre-approval authority may be delegated by the Audit Committee to the Chair of the Audit Committee.

The Audit Committee considered whether the services provided by Armanino in 2020 were compatible with maintaining the independence of Armanino, and concluded that the independence of Armanino was maintained and was not compromised by the non-audit services provided.

Dismissal of Armanino. On March 4, 2021, the Audit Committee dismissed Armanino and appointed EY as the Company's independent registered public accounting firm. The audit reports of Armanino on the Company's consolidated financial statements as of and for the years ended December 31, 2020 and 2019 did not contain an adverse opinion or disclaimer of opinion and were not qualified or modified as to uncertainty, audit scope or accounting principles.

THE BOARD UNANIMOUSLY RECOMMENDS VOTING "FOR" THE RATIFICATION OF THE APPOINTMENT OF ERNST & YOUNG LLP AS THE COMPANY'S INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR THE FISCAL YEAR ENDING DECEMBER 31, 2021.

Audit Committee Report

In accordance with a written charter adopted by Harmonic's Board of Directors and posted on the Company's website at *www.harmonicinc.com*, the Audit Committee of the Board of Directors serves as the representative of the Board of Directors for general oversight of the quality and integrity of the Company's financial accounting and reporting process, system of internal control over financial reporting, audit process, and process for monitoring compliance with related laws and regulations. The Audit Committee engages the Company's independent registered public accounting firm and approves the scope of both audit and non-audit services. Harmonic's management has primary responsibility for preparing financial statements and the financial reporting process.

Armanino LLP, Harmonic's independent registered public accounting firm for the year ended December 31, 2020, was responsible for performing an independent audit of the Company's consolidated financial statements and internal control over financial reporting in accordance with the standards set by the Public Company Accounting Oversight Board ("PCAOB") and to issue reports thereon.

The Audit Committee has:

1. Reviewed and discussed the audited consolidated financial statements and certifications thereof with Company management and Armanino LLP and management has represented to the Audit Committee that Harmonic's consolidated financial statements were prepared in accordance with accounting principles generally accepted in the United States;

2. Discussed with Armanino LLP the matters required to be discussed by the applicable requirements of the PCAOB, including discussion of the quality and acceptability of Harmonic's financial reporting process and controls, and the SEC; and

3. Received the written disclosures and letter from Armanino LLP required by applicable requirements of the PCAOB regarding Armanino LLP's communications with the Audit Committee concerning independence, discussed with Armanino LLP its independence, and considered whether the provision of the non-audit services described above was compatible with maintaining their independence.

The Audit Committee meets regularly with the Company's independent registered public accounting firm, with and without management present, to discuss the results of their examinations, the evaluations of the Company's internal control over financial reporting, and the overall quality of the Company's adherence to applicable accounting principles and practices.

In performing all of these functions, the Audit Committee acts only in an oversight capacity and necessarily relies on the work and assurances of Harmonic's management, which has primary responsibility for preparing financial statements and the financial reporting process, and the independent registered public accounting firm, which, in their report, expresses an opinion on the conformity of Harmonic's annual consolidated financial statements to accounting principles generally accepted in the United States and of the Company's internal control over financial reporting in accordance with the standards set by the PCAOB. In reliance on the reviews and discussions referred to in this report, and in light of its role and responsibilities, the Audit Committee recommended to the Board of Directors, and the Board of Directors has approved, that the audited financial statements of Harmonic for the three years ended December 31, 2020 be included for filing with the Securities and Exchange Commission in the Company's Annual Report on Form 10-K for the year ended December 31, 2020.

The Audit Committee
Nikos Theodosopoulos
Deborah Clifford
Susan Swenson

EXECUTIVE OFFICERS

The following sets forth certain information regarding the executive officers of Harmonic as of April 1, 2021.

Name	Age	Position
Patrick J. Harshman	56	President and Chief Executive Officer
Sanjay Kalra	48	Chief Financial Officer
Nimrod Ben-Natan	53	Senior Vice President and General Manager, Cable Access Business
Neven Haltmayer	56	Senior Vice President, Video R&D
Ian Graham	60	Senior Vice President, Global Sales and Video Services

Patrick J. Harshman joined Harmonic in 1993 and was appointed President and CEO and as a member of our board of directors in May 2006. Prior to 2006, he held several executive leadership positions for Harmonic, including management of marketing, international sales, product management, and research and development functions. Mr. Harshman earned a Ph.D. in Electrical Engineering from the University of California, Berkeley, and completed an Executive Management Program at Stanford University.

Sanjay Kalra joined Harmonic in October 2016 as Vice President, Corporate Controller and Chief Accounting Officer and was appointed Chief Financial Officer in June 2017. Prior to Harmonic, from June 2013 to October 2016, Mr. Kalra served as a Corporate Controller at TiVo, Inc. From September 2012 to June 2013, he served as Vice President and Corporate Controller at Model N, Inc., and prior to that, from February 2007 to September 2012, he served in various finance positions including Corporate Controller at Silicon Image. Mr. Kalra began his career in public accounting at Ernst & Young LLP, from February 1998 to February 2007. He holds a B. Com. in Commerce and Accounting from CCS University, India, is a Chartered Accountant from the Institute of Chartered Accountants of India and is a Certified Public Accountant.

Nimrod Ben-Natan joined Harmonic in 1997, was named Vice President of Product Marketing, Solutions and Strategy, in 2007, and was appointed Senior Vice President and General Manager, Cable Products, in June 2012. From 1993 to 1997, Mr. Ben-Natan served as an Embedded Software Engineer at Orckit Communications Ltd., a digital subscriber line developer. Previously, he worked on wireless communications systems while he was with the Israeli Defense Signal Corps from 1988 to 1993. Mr. Ben-Natan holds a B.A. in Computer Science from Tel Aviv University.

Neven Haltmayer joined Harmonic in 2002, and was appointed Senior Vice President, Research and Development, in March 2011. Prior to his appointment, Mr. Haltmayer served as Vice President, Research and Development, from 2005 to 2011. From 2002 to 2005, Mr. Haltmayer was Director of Engineering of Compression Systems and managed the development of Harmonic's MPEG-2 and MPEG-4 AVC/H.264 encoder and Electra product lines. Between 2001 and 2002, Mr. Haltmayer held various key positions at Canal Plus Technologies, a set-top decoder technology company, including Vice President of Engineering, and was responsible for system integration and development of set top box middleware and interactive applications. Mr. Haltmayer holds a B.S. in Electrical Engineering from the University of Zagreb, Croatia.

Ian Graham joined Harmonic in 2008, and was appointed Senior Vice President, Global Sales and Video Services, in August 2020. From February 2019 to July 2020, Mr. Graham served as Senior Vice President, International Sales and Video services, focusing on Asia Pacific, Europe, Middle East, Africa (EMEA) and Latin America. From January 2017 to February 2019, he was Vice President of Sales for EMEA and Latin America, and from 2008 to 2017, he served as Vice President of Sales for EMEA. Prior to joining Harmonic, Mr. Graham was the Vice President of EMEA Sales at Motorola, Connected Home Solutions. Mr. Graham received a bachelor's degree in Public Administration from Sheffield Hallam University.

COMPENSATION DISCUSSION AND ANALYSIS

Compensation Philosophy and Programs

The Company's executive compensation programs are designed to attract, motivate and retain executives who will contribute significantly to the long-term success of the Company and the enhancement of stockholder value. Consistent with this philosophy, the following goals provide a framework for our executive compensation program:

- provide a competitive total compensation package to attract, retain and motivate executives who must operate in a demanding and rapidly changing business environment;
- relate total compensation for each executive, consisting of base salary, annual cash bonus and equity awards, to overall Company performance and, in the case of base salary and equity awards, to individual performance;
- tie incentive bonus compensation to the Company's achievement of objective performance parameters;
- reflect competitive market requirements and strategic business needs in determining the appropriate mix of cash and non-cash compensation and short-term (base salary and annual cash bonus) and long-term compensation (equity awards);
- put at risk a significant portion of each executive's total target compensation, with the intent to reward superior performance by the Company; and
- align the interests of our executives with those of our stockholders.

At our 2020 annual meeting of stockholders, we held a stockholder advisory vote on the compensation of our NEOs, commonly referred to as a "say-on-pay vote." Our stockholders approved the compensation of our NEOs, with approximately 99% of stockholder votes cast voting in favor of the say-on-pay proposal. As we evaluated our compensation practices and talent needs throughout 2020, we were mindful of the support our stockholders expressed for our philosophy of linking compensation to our financial goals and in support of enhancing stockholder value. As a result, the Compensation Committee decided to retain our general approach with respect to our executive compensation programs, with an emphasis on delivering long-term and short-term incentive compensation that rewards our executives commensurate with the value they deliver to our stockholders.

2020 Named Executive Officers

Our NEOs for 2020 were:

Name	Position
Patrick J. Harshman	President and Chief Executive Officer
Sanjay Kalra	Chief Financial Officer
Nimrod Ben-Natan	Senior Vice President and General Manager, Cable Access Business
Neven Haltmayer	Senior Vice President, Video R&D
Ian Graham(1)	Senior Vice President, Global Sales and Video Services
Eric Louvet(1)	Senior Vice President, Global Sales and Video Services

(1) Mr. Graham was appointed Senior Vice President, Global Sales and Video Services, in August 2020. Mr. Louvet served in the role through July 2020 and his employment with the Company terminated on August 17, 2020.

Role of the Compensation Committee

The Compensation Committee is responsible for approval of the Company's executive compensation policies, compensation paid to executive officers, and administration of the Company's equity ownership plans. The Compensation Committee currently consists of Ms. Reaugh and Messrs. Gallagher and Krall, none of whom is an employee of the Company, and each of whom is independent under applicable NASDAQ listing standards and Section 16 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). The charter of the Compensation Committee was adopted by the Board of Directors, and is posted on Harmonic's website at *www.harmonicinc.com*.

Role of the Compensation Consultant

The Compensation Committee has retained the services of Compensia, Inc. ("Compensia"), an independent compensation consulting firm, to assist the Compensation Committee in the evaluation of appropriate cash and equity compensation for executive management and the Board. Compensia provides no other services to the Company. Compensia makes recommendations to the Compensation Committee on the design and implementation of compensation plans, assists in determining the appropriate number of shares to be used for equity awards granted under the Company's equity plans, reviews market and other data and recommendations provided by management, and also reviews specific compensation proposals for each of the Company's NEOs. Compensia attends all or part of certain Compensation Committee meetings, as requested by the Compensation Committee.

In 2020, the Compensation Committee considered and assessed all relevant factors, including those set forth in Rule 10C-1(b)(4)(i)through (vi) under the Exchange Act, that could give rise to a potential conflict of interest with respect to Compensia's work. Based on this review, we are not aware of any conflict of interest that has been raised by the work performed by Compensia.

Role of Management

Our CEO, assisted by our General Counsel and Senior Vice President, Human Resources, works with the Compensation Committee to establish meeting agendas. The CEO makes recommendations to the Compensation Committee with respect to the compensation of other members of executive management and the design and implementation of incentive compensation programs for NEOs. For 2020 executive compensation, these recommendations were developed with the assistance of Compensia. The Compensation Committee considers the recommendations of management, but is not bound by such recommendations. The CEO does not make recommendations to the Compensation Committee with respect to his own compensation and no member of management is present at any portion of Compensation Committee meetings when his or her compensation is deliberated or decisions are made.

Management of Risk Arising from Incentive Compensation Policies

The Compensation Committee has considered whether the Company's overall compensation program for employees creates incentives for employees to take excessive or unreasonable risks that could materially harm the Company. The Committee believes that our incentive plans are typical for our industry and market competitive, and that risks arising from our compensation policies and practices for our employees are not reasonably likely to have a material adverse effect on the Company. Several features of our compensation policies for management employees appropriately mitigate such risks, including a mix of long-term and short-term compensation incentives that we believe are properly weighted, the uniformity of compensation policies across the Company, caps on payments from the plans and the use of our business plan, which the Compensation Committee believes sets an appropriate level of risk for the Company, as a baseline for our incentive bonus plan targets. We also believe the Company's internal legal and financial controls, as well as the Clawback Policy described on page 35 of this Proxy Statement, appropriately mitigate the probability and potential impact of an individual employee committing the Company to inappropriate transactions in exchange for short-term compensation benefits.

Elements of Compensation

In order to achieve the above goals, our total compensation packages include base salary and annual bonus paid in cash, as well as long-term equity compensation, all as described in greater detail below. We also make available benefit plans to our executive officers which are generally provided to all regular full-time employees of Harmonic. We believe that appropriately balancing the total compensation package and ensuring a significant portion of the package is incentive-based is necessary in order to provide market-competitive compensation. We focus on ensuring that the balance of the various components of our compensation program is optimized to motivate executives to improve our results on a cost-effective basis. The factors which are used to determine individual compensation packages are generally similar for each NEO, including our CEO.

In order to assess our compensation competitiveness against peer companies in 2020, the Compensation Committee, with input from Compensia, approved a compensation peer group in 2019, which included 19 companies. These peer companies were selected primarily from the telecommunications, video services technology and software industries based principally on revenue and market capitalization data that placed Harmonic approximately in the middle of the range, as well as on such companies' proximity to Silicon Valley, which is the location of the Company's headquarters.

Data prepared by Compensia for the compensation peer group was used as a reference point by the Compensation Committee for making decisions regarding 2020 cash and equity compensation and for the design and implementation of compensation packages and for specific proposals related to the individual elements and total compensation packages for other NEOs, as well as for other employees.

The approved peer group for 2020 consisted of the following companies:

A10 Networks	Extreme Networks
ADTRAN	InterDigital
Ambarella	MaxLinear
Avid Technology	NeoPhotonics
CalAMP	Progress Software
Calix	QAD
Casa Systems	Ribbon Communications
Cloudera	Tivo
Cray	Universal Electronics
Digi International	

Base Salary

Base salaries for NEOs, including that of the CEO, are set according to the responsibilities of the position, the specific skills and experience of the individual and the competitive market for executive talent. The Compensation Committee reviews salaries annually and adjusts them as appropriate to reflect changes in market conditions, individual performance and responsibilities, and the Company's financial position. When reviewing salaries, the Compensation Committee references the 50th and 60th percentile of total cash compensation (base salary and target bonus) of the compensation peer group, based on position, with the intent that superior performance under incentive bonus plans would enable the executive to elevate total cash compensation to levels that are above the average of comparable companies.

Following a review of the above factors and the data for the 2020 compensation peer group, the Compensation Committee believed it was necessary and appropriate to increase the base salaries of each of the NEOs as set forth in the table below to remain market competitive and reward the NEOs for their contributions to the Company's business:

Name	2019 Base Salary	Increase to 2019 Base Salary	2020 Base Salary
Patrick Harshman	$529,935	3%	$543,833
Sanjay Kalra	$357,000	10%	$392,700
Nimrod Ben-Natan(1)	$375,659	3%	$386,929
Neven Haltmayer	$339,201	3%	$349,377
Ian Graham(2)	$261,820	23%	$321,083
Eric Louvet	$262,500	3%	$270,375

(1) The base salary amounts for Mr. Ben-Natan have been converted from Israeli Shekel using the exchange rate in effect as of December 31, 2020.

(2) The base salary amounts for Mr. Graham have been converted from British pound sterling using the exchange rate in effect as of December 31, 2020. Mr. Graham's updated base salary went into effect in August 2020 upon his promotion to Senior Vice President, Global Sales and Video Services.

With respect to Messrs. Harshman, Kalra, Ben-Natan, Haltmayer and Louvet, they were paid at their new base salary rate for the first quarter of 2020. However, due to the business and financial uncertainty created by the Covid-19 global pandemic, the Compensation Committee decided to revert to their 2019 salary levels for the remaining quarters of 2020. The new base salary rate was reinstated by the Compensation Committee for Messrs. Harshman, Kalra, Ben-Natan and Haltmayer as of January 2021.

Incentive Bonus Plans

The Company's annual incentive bonus plans in which NEOs participate reflect the Compensation Committee's belief that a meaningful component of executive compensation should be contingent on the Company achieving performance targets, thereby introducing a significant element of "pay for performance" and appropriate incentives to produce superior results. Each NEO participated in one annual incentive bonus plan in 2020, as discussed below.

The 2020 salary earned by each NEO as set forth on the Summary Compensation Table on page 37 of this proxy statement, and the bonus target opportunity and applicable 2020 incentive bonus plan for each NEO, is set forth below:

Name	2020 Salary	Target 2020 Bonus as % of Annual Salary	Applicable 2020 Incentive Bonus Plan
Patrick Harshman	$533,908	125%	Corporate Bonus Plan
Sanjay Kalra	$365,927	60%	Corporate Bonus Plan
Nimrod Ben-Natan(1)	$377,223	60%	Cable Bonus Plan
Neven Haltmayer	$341,744	60%	Video Bonus Plan
Ian Graham(2)	$301,659	84%	Individualized Plan
Eric Louvet(3)	–	–	–

(1) The salary amount for Mr. Ben-Natan has been converted from Israeli Shekel using the exchange rate in effect as of December 31, 2020.
(2) The salary amount for Mr. Graham has been converted from British pound sterling using the exchange rate in effect as of December 31, 2020.
(3) Mr. Louvet's employment with the Company terminated on August 17, 2020 and he did not receive any payouts under any of the Bonus Plans.

2020 Bonus Plans, achievement and payouts

For 2020, the Compensation Committee agreed to incentivize performance based on half-year financial targets and full-year strategic targets under three incentive bonus plans (the "Bonus Plans") for our NEOs, other than Mr. Graham who has an individualized incentive plan as described below. The Compensation Committee established the financial targets for the first half of 2020 ("H1") and the full-year strategic targets in December 2019, and the finanical targets for the second half of 2020 ("H2") in August 2020.

The Compensation Committee approved the Bonus Plans to focus the NEOs and other incentive plan participants on improved profitability, growing the Cable Access and Video businesses through new customers, and spending and expense management. The Compensation Committee believed that the targets for the Bonus Plans were challenging but achievable, based on its review of the Company's operating plan for 2020 when setting the H1 and full-year targets, its review of the adjusted operating plan at mid-year when setting the H2 targets, the experience of the members of the Compensation Committee with respect to the Company's historical performance and the business and industry outlook.

The summary tables below set forth the achieved payouts under each of the components of the Bonus Plans for H1 and H2, and the resulting earned payout to each of the NEOs under their applicable Bonus Plan, as a percentage of the NEO's target bonus opportunity for the full year. All amounts earned by the NEOs under the Bonus Plans were paid in cash. The tables also reflect the Compensation Committee exercising its discretion with the approval of additional payout amounts for Messrs. Harshman, Kalra and Haltmayer (and all other participants under the Corporate and Video Bonus Plans) at year-end, under "Total Adjusted Payout", so that the full-year payouts would equal 100% of their respective 2020 bonus target opportunity. The discretion was applied due to the Company over-achieving certain key financial targets not included in the Bonus Plans, including the Company's full-year bookings target under the Company's original pre-pandemic 2020 operating plan, and H2 revenue targets. No discretion was applied to the payouts for Messrs. Ben-Natan and Graham.

Corporate Bonus Plan	Weight	H1 Targets	H1 Achieve	H1 Payout	H2 and Full-Year Targets	H2 and Full-Year Achieve	H2 and Full-Year Payouts	Total Payout as % of 2020 target bonus	Total Adjusted Payout as % of 2020 target bonus
Non-GAAP Company gross profit	70%	$105.5M	73%	0%	$120.9M	101%	111%		
Video strategic objective 1: delivery solution wins	5%	–	–	–	15 qualified wins	253%	200%		
Video strategic objective 2: new customers	5%	–	–	–	6 qualified new customers	367%	200%		
Cable strategic objective: new customers	10%	–	–	–	4 qualified new customers	150%	150%		
Non-GAAP functional spending(1)	10%	$137.0M	91% - 93%	117% - 122%	$124.9M	92% - 96%	108% - 120%		
							Patrick Harshman:	85%	100%
							Sanjay Kalra:	86%	100%

(1) Amounts shown are total Company spending targets, which were applicable to Mr. Harshman. The targets applicable to Mr. Kalra were components of the total Company spending targets.

Video Bonus Plan	Weight	H1 Targets	H1 Achieve	H1 Payout	H2 and Full-Year Targets	H2 and Full-Year Achieve	H2 and Full-Year Payouts	Total Payout as % of 2020 target bonus	Total Adjusted Payout as % of 2020 target bonus
Non-GAAP Video gross profit	70%	$75.0M	54%	0%	$81.2M	96%	85%		
Video strategic objective 1: delivery solution wins	10%	–	–	–	15 qualified wins	253%	200%		
Video strategic objective 2: new customers	10%	–	–	–	6 qualified new customers	367%	200%		
Non-GAAP functional spending(1)	10%	$29.0M	95%	110%	$28.4M	96%	108%		
							Neven Haltmayer:	80.6%	100%

(1) Amounts shown are the spending targets for only Mr. Haltmayer's function.

Cable Bonus Plan	Weight	H1 Targets	H1 Achieve	H1 Payout	H2 and Full-Year Targets	H2 and Full-Year Achieve	H2 and Full-Year Payouts	Total Payout as % of 2020 target bonus	Total Adjusted Payout as % of 2020 target bonus
Non-GAAP Cable gross profit	70%	$30.5M	74%	0%	$39.7M	111%	200%		
Cable strategic objective: new customers	20%	–	–	–	4 qualified new customers	150%	150%		
Non-GAAP functional spending(1)	10%	$22.7M	111%	0%	$24.3M	106%	0%		
							Nimrod Ben-Natan:	100%	100%

With respect to Ian Graham, for 2020, he was subject to an individualized sales leader incentive plan that went into effect at the beginning of the fiscal year prior to his appointment as an executive officer. Upon his appointment in August 2020, the Compensation Committee agreed to leave the structure of Mr. Graham's incentive plan unchanged. His plan was comprised of his participation in the Company's 2020 sales incentive plan (the "Commission Plan") and the strategic objective components of the Video and Cable Bonus Plans described above. 60% of Mr. Graham's 2020 target bonus was based on achievement of his targets under the Commission Plan, 10% was based on achievement of each of the Video strategic objectives, and 20% was based on achievement of the Cable strategic objective. Mr. Graham earned a total payout under his individualized incentive plan of 131% of his 2020 target bonus.

H1 and H2 payout thresholds and payout caps applicable to Bonus Plans

The Compensation Committee established minimum thresholds that had to be met in order for any H1 and H2 payouts to be made under the 2020 incentive bonus plans, as well as maximum payout caps for the non-GAAP gross profit and functional spending components of the incentive bonus plans, as set forth in the table below. The maximum payout under any full-year strategic objective was capped at 200%.

H1 Gross Profit		H1 Functional Spending		H2 Gross Profit		H2 Functional Spending	
Achievement	Payout	Achievement	Payout	Achievement	Payout	Achievement	Payout
80%	0%	90%	125%	75%	0%	90%	125%
90%	50%	95%	110%	87.5%	50%	95%	110%
100%	100%	100%	100%	100%	100%	100%	100%
110%	200%	105%	25%	110%	200%	105%	25%
		>105%	0%			>105%	0%

Equity Compensation Plans

The Compensation Committee believes that equity compensation is an essential tool to link the long-term interests of stockholders and employees, especially the CEO and executive management, and serves to motivate employees, and particularly executive management, to make decisions that will, in the long run, deliver the best returns to stockholders, thus rewarding excellent long-term performance. From 2009 to 2017, stock options and RSUs were granted to Company executives, including NEOs, when they joined the Company, and on an annual basis thereafter. Since 2017, the Compensation Committee has granted the Company's NEOs and other executives a combination of time-based and performance-based RSUs, and has not granted any stock options.

In 2020, in light of a trend among the Company's peer group as well as similarly situated publicly-listed technology companies favoring full-value awards, the Compensation Committee decided to continue to focus on granting time-based vesting RSUs and, in select cases, performance-based vesting RSUs to NEOs and executives rather than stock option awards. The Compensation Committee may employ stock option grants in the future, in combination with RSUs and/or performance-based RSUs.

Time-based Vesting RSUs. The 2020 timed-based RSUs granted to executives and NEOs vest over 3 years subject to their continued service.

TSR Award. In 2020, Mr. Harshman was also awarded RSUs covering a target number of shares of 182,830, with vesting based on the total stockholder return (TSR) to holders of Company common stock during the three-year performance period compared to the TSR of companies in the NASDAQ Telecommunication Index or any successor to that index (the "Index") at both the beginning and end of the performance period (the "TSR Award").

Key Terms	Description
Performance Period	Three-year performance period, from February 15, 2020 through February 14, 2023.
Calculation of TSR	The beginning price and ending price of the Company and each company in the Index is calculated based on the average trading price over 90 consecutive trading days, as adjusted to reflect dividends reinvested on each ex-dividend date during the applicable period (or, in the case of the ending price, the full performance period).
Vesting	• 100% of the target number of RSUs will vest if the Company's TSR is equal to the Index TSR during the performance period. • For each 1% that the Company TSR exceeds the Index TSR during the performance period, the percentage of the target number of RSUs that vest increases by 2%, from 100% up to a maximum of 150% (although this percentage is capped at 100% if the Company TSR is negative during the performance period). • For each 1% that the Company TSR is less than the Index TSR, the percentage of the target number of RSUs that vest will decrease by 2%, from 100% down to a minimum of 50%. • If the Company TSR is less than the Index TSR by 50% or more, no RSUs under the TSR Award will vest.
Continuous service	Vesting is contingent upon Mr. Harshman remaining in service with us through the applicable vesting date.
Change of control	• In the event of "change in control" before the end of the performance period, performance will be measured by comparing the price being paid for a share of the Company's common stock in such change in control to the TSR of the Index as of the day prior to the change in control, each as adjusted for dividends during the performance period. • Any earned RSUs as a result of performance achievement described in the previous sentence will vest as follows: a pro-rated amount of such earned RSUs will vest on the change in control based on the number of months served during the performance period and the remaining earned portion of the award will vest quarterly through the end of the original three-year performance period, subject to continued service, and further subject to any vesting acceleration under his change of control severance agreement. See "Change-of-Control Agreements" section below.

Performance-based RSU Award. In 2020, Mr. Ben-Natan was also awarded 36,570 performance-based RSUs ("PRSU") with vesting conditioned upon the Cable Access business achieving 90% or more of an initial 2020 gross profit target of $73.4 million, which was subsequently adjusted to $61.0 million following a mid-year update to the Company's 2020 operating plan. Vesting based on achievement was as follows:

Achievement of gross profit target (%)	Vesting of PRSU award (%)
< 90	0
90	90
91-99	91-99
≥ 100	100

In February 2021, the Compensation Committee confirmed that the Cable Access business achieved more than 100% of its 2020 gross profit target, and Mr. Ben-Natan's PRSU therefore fully vested.

Upon vesting, shares are immediately issued and there are no additional time- or service-based conditions associated with the TSR Award or performance-based RSUs, other than the CEO stock ownership guidelines applicable to Mr. Harshman as further described below under "Stock Ownership Guidelines". The Compensation Committee believes the TSR Award and performance-based RSUs appropriately incentivizes Messrs. Harshman and Ben-Natan and directly aligns these executive's interests with those of our stockholders' interests.

Equity Award Determinations. Consistent with past practice, the total equity pool (RSUs and PRSUs) for annual grants to be made to all employees in 2020, including NEOs, was determined principally by reference to industry-specific guidelines published by shareholder advisory firms and, in part, by historic practice. The guidelines generally refer to metrics such as total annual awards as a percentage of shares outstanding and total outstanding awards as a percentage of fully diluted shares. The Compensation Committee, in consultation with the Company's CEO (except with respect to the CEO's own compensation), determines the size and material terms of equity awards granted to the NEOs, taking into account the role and responsibility of the NEO, competitive factors including competition for technology executives; peer group data compiled by the Compensation Committee's compensation consultant, the size and value of long-term equity compensation already held by each executive officer and the vested percentage; the proportion between RSUs, performance-based RSUs and stock options held by each NEO; the total target cash compensation opportunity for each NEO; and individual performance and retention objectives. See "Grant of Plan-based Awards" on page 38 of this proxy statement for a summary of all equity grants made to the NEOs in 2020.

Equity Compensation Grant Practices

The Compensation Committee approves all equity grants, except for certain grants made to non-executive employees in the ordinary course of business, for which it has delegated authority to the CEO, within parameters approved in advance by the Compensation Committee, pursuant to an employee equity issuance policy (the "Employee Equity Issuance Policy"). The Compensation Committee reviews all grants made pursuant to the Employee Equity Issuance Policy. Initial hire grants of RSUs are made on the second Friday of each month, and any other grants made by the CEO pursuant to authority granted by the Compensation Committee are made on the Friday of the week of such grant. Stock options, if issued, are granted at 100% of the closing price of our stock on the NASDAQ Stock Market on the date of grant.

Initial hire grants that are for executives reporting to the CEO or grants that are above the CEO's approved range are approved by the Compensation Committee, with the grant date being the day of approval by the Compensation Committee or a later date selected by the Compensation Committee and, if in the form of a stock option, the exercise price being the closing price of the stock on the NASDAQ Stock Market on the grant date. The initial grants are effective as of the date of grant, with vesting generally beginning on the date of commencement of employment. Annual grants to NEOs and executives are usually made in the first half of the year, and, in 2020, these grants were made in February. This timing enables management and the Compensation Committee to consider performance by both the Company and the individual and balance it against our expectations for the current year.

We do not time the granting of RSUs or stock options with any favorable or unfavorable news released by the Company. The timing of initial grants is driven by the date of hire of our new employees. The Board of Directors and Compensation Committee meeting schedules, for review and approval of annual grants, are usually established several months in advance for the calendar year. Proximity of any awards to an earnings announcement or other market events is coincidental.

Retirement Benefits

The Company does not provide pension benefits or deferred compensation plans to any of its U.S. employees, including NEOs, other than a 401(k) deferred compensation plan which is open to all regular, full-time U.S. employees. The Company has a matching contribution policy for the 401(k) plan, of up to $1,000 a year for each participant, for 2020. For employees resident in foreign jurisdictions, the Company makes required contributions to statutory pension and retirement schemes and, in a few countries, offers supplemental pension benefits in accordance with customary market practices.

Other Compensation

Other elements of compensation available to the Company's NEOs include life and long-term disability insurance and health benefits. These benefits are available to all regular, full-time U.S. employees of the Company on the same basis, and similar benefits are provided to most employees in other countries. In addition, the Company may provide for relocation expenses to recruit key executives living outside the San Francisco Bay Area. Management periodically reviews the level of benefits provided to all employees and adjusts those levels as appropriate. The value of the benefits received by the Company's NEOs pursuant to these other elements of compensation in 2018, 2019 and 2020 are included in the "All Other Compensation" column in the Summary Compensation Table on page 37 of this proxy statement.

Change-of-Control Agreements

The Company does not have employment agreements with any of its present NEOs. However, as a historical practice, it has generally provided change of control severance agreements to its NEOs and certain other executives. These agreements are designed to incentivize continuing service to the Company by NEOs in the event that the Company may be in discussions regarding strategic transactions and to provide short-term benefits in the event that a NEO's position is eliminated or responsibilities or compensation are reduced following a change of control.

Under the terms of the current NEO's current change of control severance agreements, in the event of termination of the NEO other than for cause (as defined in the relevant change of control severance agreement) within 18 months following a change in control of the Company, the NEO will be entitled to certain payments described below.

Mr. Harshman, the Company's President and CEO, will receive, subject to the execution of a standard release, (i) a lump-sum payment of twice his annual salary; (ii) an amount equal to the greater of (x) 200% of his then annual target bonus or (y) 200% of the average of the actual bonus paid to him in each of the two prior years; and (iii) a continuation of his health, dental, and life insurance benefits for up to one year after termination of employment. Mr. Harshman's agreement also provides for out-placement assistance and the full acceleration of unvested stock options and any restricted stock awards held by him in the event of such termination, subject to certain limitations.

Each of the other NEOs will receive, subject to the execution of a standard release, (i) a lump-sum payment of one year's salary; (ii) an amount equal to the greater of (x) 100% of the NEO's then annual target bonus or (y) the average of the actual bonus paid to the NEO in each of the two prior years; and (iii) a continuation of the NEO's health, dental and life insurance benefits for up to one year after termination of employment. These agreements also provide for out-placement assistance and the full acceleration of unvested stock options and any restricted stock awards held by the respective NEO in the event of such termination, subject to certain limitations.

In addition, Mr. Harshman's 2020 TSR Award is subject to special treatment on a change of control. See "Equity Compensation Plans – TSR Award" above.

Stock Ownership Guidelines and Hedging Policy

The Company has adopted stock ownership guidelines applicable to its CEO, requiring the CEO to hold any shares issued, after withholding of shares for taxes resulting from the exercise of vested stock options granted in 2017 or later or settlement of vested RSUs granted in 2017 or later, for at least 36 months from the date of RSU settlement or stock option exercise, subject to release from these requirements upon his separation from service with the Company.

Under our Insider Trading Policy, we prohibit our employees, including officers, and members of the Board of Directors from hedging the risk associated with ownership of shares of our common stock.

Financial Restatements and Clawback Policy

The Company has never restated its financial statements. The Compensation Committee has adopted a Clawback Policy pursuant to which we may seek the recovery of incentive compensation, including equity compensation, paid by the Company to our executive officers. The Clawback Policy provides that if (i) the Company restates its financial statements as a result of a material error; (ii) the amount of incentive compensation that was paid or is payable based on achievement of specific financial results paid would have been less if the financial statements had been correct; (iii) no more than two years have elapsed since the original filing date of the financial statements upon which the incentive compensation was determined; and (iv) the Compensation Committee unanimously concludes, in its sole discretion, that fraud or intentional misconduct by any executive officer(s) caused the material error and it would be in the best interests of the Company to seek from such participant(s) recovery of the excess compensation, then the Compensation Committee may, in its sole discretion, seek from such executive officer(s) repayment to the Company of the applicable incentive compensation.

Section 162(m)

We have considered the potential future effects of Section 162(m) of the Code on the compensation paid to our NEOs. Section 162(m) disallows a tax deduction for any publicly held corporation for individual compensation exceeding $1.0 million in any taxable year for our CEO and certain other current and former officers of the Company.

While the Compensation Committee considers the deductibility of compensation as a factor in making compensation decisions, the Compensation Committee retains the flexibility to provide compensation that is consistent with our goals for our executive compensation program even if such compensation is not fully tax deductible. The Compensation Committee may make decisions that result in compensation that is not fully deductible under Section 162(m) of the Code.

Compensation Committee Report

The Compensation Committee has reviewed and discussed with management the Compensation Discussion and Analysis contained in this Proxy Statement. Based on the Compensation Committee's review of, and the discussions with management with respect to, the Compensation Discussion and Analysis, our Committee recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this Proxy Statement.

The Compensation Committee
Mitzi Reaugh
Patrick Gallagher
David Krall

The information contained above under the captions "Report of the Audit Committee of the Board of Directors" and "Report of the Compensation Committee of the Board of Directors on Executive Compensation" shall not be deemed to be "soliciting material" or to be "filed" with the SEC, nor shall such information be incorporated by reference into any future filing under the Securities Act of 1933, as amended, or the Exchange Act, except to the extent that the Company specifically incorporates it by reference to such filing.

Summary Compensation Table

The following Summary Compensation Table sets forth summary information concerning the compensation earned by our NEOs, in each case for services to our Company, in all capacities, during the fiscal years ended December 31, 2020, 2019 and 2018.

Name & Principal Position	Year	Salary	Bonus	Stock Awards[1]	Non-Equity Incentive Plan Compensation[2]	All Other Compensation[3]	Total
Patrick J. Harshman, *President and CEO*							
	2020	$533,908	$—	$2,270,749	$667,387	$26,289	$3,498,333
	2019	529,935	—	2,252,000	567,094	26,021	3,375,050
	2018	514,500	—	1,064,200	739,551	24,823	2,343,074
Sanjay Kalra[4] *Chief Financial Officer*							
	2020	365,927	—	804,875	219,555	26,876	1,417,233
	2019	357,000	—	649,750	185,066	27,267	1,219,083
	2018	320,000	75,000	473,846	127,335	28,173	1,024,354
Nimrod Ben-Natan[5] *Senior Vice President and GM, Cable Access Business*							
	2020	377,223	—	775,619	226,334	48,222	1,427,398
	2019	346,940	—	791,000	218,421	60,173	1,416,534
	2018	323,550	—	713,304	114,717	87,017	1,238,588
Neven Haltmayer *Senior Vice President, Video R&D*							
	2020	341,744	—	570,096	205,047	27,642	1,144,529
	2019	339,201	—	565,000	111,902	28,033	1,044,136
	2018	329,321	—	479,211	128,216	28,387	965,135
Ian Graham[6] *Senior Vice President, Global Sales and Video Services*							
	2020	301,659	—	464,689	331,820	36,065	1,134,233
Eric Louvet[7] *Senior Vice President, Global Sales and Video Services (former)*							
	2020	169,566	—	429,241	—	94,897	693,704
	2019	262,500	—	423,750	226,632	172,684	1,085,566

(1) The amounts in this column represent the fair value of the RSU award or performance-based RSU award, as applicable, on the grant date, computed in accordance with applicable accounting standards, and do not reflect actual amounts paid to or received by any officer. The grant date fair market value of the service-based RSU awards granted in 2020, 2019 and 2018 is equal to the number of RSUs granted multiplied by the closing price of our stock on the NASDAQ Stock Market on the date of grant.

The amounts in this column also include TSR awards granted to Mr. Harshman in 2020 and 2019, and stock price performance-based RSUs ("SPRSUs") granted to Mr. Harshman in 2018. The grant date fair market value of the TSR awards and SPRSUs was determined using a Monte-Carlo methodology, as specified in Note 2, "Summary of Significant Accounting Policies - Stock-based Compensation" to our consolidated financial statements included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2020. Assuming the highest level of performance is achieved under the performance measures for these awards, the maximum possible value of the 2019 and 2020 TSR awards and the 2018 SPRSUs using the closing price of our common stock on the NASDAQ Stock Market on the date of grant is presented below:

	Maximum Value of TSR and SPRSU Awards (as of Grant Date)		
Name	2020	2019	2018
Patrick J. Harshman	$1,173,769	$1,130,000	$146,000

For 2020, the amounts in this column also include performance-based RSUs ("PRSUs") that were granted to Mr. Ben-Natan with vesting based on achievement of a Cable Access business-related gross profit target for 2020. The grant date fair market value of these PRSUs was $234,779.

For 2019, the amounts in this column also include PRSUs that were granted to Mr. Ben-Natan with vesting based on achievement of a Cable Access business-related revenue target for 2019. The grant date fair market value of these PRSUs was $226,000.

For 2018, the amounts in this column also include PRSUs that were granted to Messrs. Harshman and Ben-Natan with vesting based on achievement of a Cable Access business-related revenue target for 2018. The grant date fair market value of these PRSUs was $219,000 for Mr. Harshman and $154,000 for Mr. Ben-Natan.

For 2018, the amounts in this column also include fully-vested performance-based RSUs that were granted to certain NEOs in the third quarter of 2018 to satisfy amounts earned for achieving half-year performance targets under the Company's 2018 incentive bonus plans. The grant date fair market value of these RSUs was $88,846 for Mr. Kalra, $97,304 for Mr. Ben-Natan, and $94,211 for Mr. Haltmayer.

(2) For 2020, this column reflects cash amounts earned by all NEOs for first-half and second-half 2020 achievement under the Company's 2020 incentive bonus plans. Actual payment of the earned amounts for second-half achievement occurred in the first quarter of 2021.

For 2019, this column reflects cash amounts earned by all NEOs for first-half and second-half 2019 achievement under the Company's 2019 incentive bonus plans. Actual payment of the earned amounts for second-half achievement occurred in the first quarter of 2020.

For 2018, as described in footnote (1) above, amounts earned by the NEOs (other than Mr. Harshman) for achieving performance targets for the first half of 2018 under the Company's 2018 incentive bonus plans were satisfied through the issuance of fully-vested PRSUs in the third quarter of 2018, and such earned amounts are not reflected in this column. Amounts earned by Mr. Harshman for first-half 2018 were paid in cash and are included in this column. This column also reflects cash amounts earned by all NEOs for second-half 2018 achievement and full-year over-achievement under the Company's 2018 incentive bonus plans, and actual payment of the earned amounts occurred at the end of 2018 and in the first quarter of 2019.

(3) The amounts in this column include, for U.S. based NEOs, group life insurance premiums, employer paid medical and dental plan premiums, HSA contributions, and 401(k) matching contributions up to $1,000 for NEOs that participate in the Company's 401(k) plan. For Mr. Ben-Natan, amounts include payments made into education, pension and disability and social security funds pursuant to Israeli statutory requirements, and a car allowance in accordance with local market practice. For Mr. Louvet, the amount includes $144,997 in 2019 and $76,900 in 2020 for housing and school tuition allowances as part of Mr. Louvet's relocation package for moving from France to the U.S. For Mr. Graham, the amount includes employer paid medical and life insurance, pension contributions, and car and fuel allowances in accordance with local market practice.

(4) Mr. Kalra received a one-time discretionary bonus payment in December 2018 in recognition of his performance and contributions to the Company.

(5) Mr. Ben-Natan is paid in Israeli Shekels and his salary, non-equity incentive compensation and "all other compensation" amounts set forth in this table have been converted into U.S. dollars using the exchange rate in effect at the time of calculation.

(6) Mr. Graham was appointed Senior Vice President, Global Sales and Video Services, on August 1, 2020. Mr. Graham is paid in British pound sterling and his salary, non-equity incentive compensation and "all other compensation" amounts set forth in this table have been converted into U.S. dollars using the exchange rate in effect at the time of calculation

(7) Mr. Louvet's employment with the Company terminated on August 17, 2020.

Grant of Plan-Based Awards

The following table summarizes certain information regarding non-equity and equity plan-based awards granted by Harmonic to the NEOs in 2020:

Name	Grant Date for Equity Based Awards	Estimated Future Payouts Under Non-Equity Incentive Plan Awards[1]			All Other Stock Awards: Number of Shares of Stock
		Threshold	Target	Maximum	
Patrick J. Harshman	2/24/2020	—	—	—	182,830[2]
	2/24/2020	—	—	—	182,830[3]
		$1.00	$667,387	$1,284,720	
Sanjay Kalra	2/24/2020	—	—	—	125,370[2]
		$1.00	$219,555	$422.643	
Nimrod Ben-Natan	2/24/2020	—	—	—	88,800[2]
	2/24/2020	—	—	—	36,570[4]
		$1.00	$226,334	$435,693	
Neven Haltmayer	2/24/2020	—	—	—	88,800[2]
		$1.00	$205,047	$394,715	
Ian Graham[5]	2/24/2020	—	—	—	49,100[2]
	8/19/2020	—	—	—	20,000[2]
		$1.00	$251,260	$502,520	
Eric Louvet[6]	2/24/2020	—	—	—	66,860[2]

(1) The estimated future payouts under non-equity incentive plans refer to potential cash payouts under our first-half and second-half 2020 incentive bonus plans. The actual half-year payout amounts for each NEO in 2020 were reviewed and approved by the Compensation Committee following the second and fourth fiscal quarters of 2020 upon the availability of financial results for such quarter, and are included in the Summary Compensation Table on page 37 of this Proxy Statement.

(2) The time-based vesting RSUs granted to Messrs. Harshman, Kalra, Ben-Natan, Haltmayer, Louvet and Graham on February 24, 2020, as well as the RSUs granted to Mr. Graham on August 19, 2020, vest over three years, with 1/3 vesting upon completion of 12 months of service and 1/12 per three month period thereafter.

(3) Mr. Harshman was awarded RSUs covering a target number of shares of 182,830, with vesting based on the total stockholder return (TSR) to holders of Company common stock during the three-year performance period compared to that of companies in the NASDAQ Telecommunication Index at both the beginning and end of the performance period. See "Equity Compensation Plans – TSR Award" on page 33 of this Proxy Statement.

(4) The performance-based RSUs granted to Mr. Ben-Natan vested and settled in February 2021 based on the achievement of the Cable Access business-related gross profit target for fiscal 2020. See “Equity Compensation Plans – Performance-based RSU Award” on page 34 of this Proxy Statement.

(5) Mr. Graham was appointed Senior Vice President, Global Sales and Video Services, on August 1, 2020.

(6) Mr. Louvet’s employment with the Company terminated on August 17, 2020.

Outstanding Equity Awards as of December 31, 2020

The following table summarizes equity awards outstanding as of December 31, 2020 for each of the NEOs.

Name	Grant Date[1]	Number of Shares or Units of Stock That Have Not Vested	Market Value of Shares or Units of Stock That Have Not Vested[2]	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested[2]	Stock Options Outstanding	Number of Securities Underlying Unexercised Options (# Exercisable)[3]	Number of Securities Underlying Unexercised Options (# Unexercisable)	Option Exercise Price	Option Expiration Date
Patrick J. Harshman	3/14/2014					325,000	325,000		$6.49	3/14/2021
	3/13/2015					266,667	266,667		$7.58	3/15/2022
	3/14/2016					266,667	266,667		$3.14	3/14/2023
	3/20/2018	16,667[6]	$ 123,169							
	4/15/2019	83,333[7]	$ 615,831	200,000[8]	$1,478,000					
	2/24/2020	182,830[9]	$1,351,114	182,830[10]	$1,351,114					
Sanjay Kalra	11/21/2016					19,167	19,167		$4.65	11/21/2023
	3/20/2018	8,334[11]	$ 61,588							
	4/15/2019	47,917[12]	$ 354,107							
	2/24/2020	125,370[13]	$ 926,484							
Nimrod Ben-Natan	3/14/2014					100,000	100,000		$6.49	3/14/2021
	3/13/2015					80,000	80,000		$7.58	3/13/2022
	3/14/2016					80,000	80,000		$3.14	3/14/2023
	3/20/2018	10,000[14]	$ 73,900							
	4/15/2019	41,667[15]	$ 307,919							
	2/24/2020	88,000[16]	$ 656,232	36,570[17]	$ 270,252					
Neven Haltmayer	3/13/2015					80,000	80,000		$7.58	3/13/2022
	3/14/2016					25,000	25,000		$3.14	3/14/2023
	3/20/2018	8,334[11]	$ 61,588							
	4/15/2019	41,667[15]	$ 307,919							
	2/24/2020	88,000[16]	$ 656,232							
Ian Graham[4]	3/20/2018	4,167[18]	$ 30,794							
	6/22/2019	22,917[19]	$ 169,357							
	2/24/2020	49,100[20]	$ 656,232							
	8/19/2020	20,000[21]	$ 147,800							
Eric Louvet[5]										

(1) Since 2017, the time-based RSUs awards to NEOs have been granted with three-year vesting schedules, with 1/3 vesting upon completion of 12 months of service and 1/12 per three month period thereafter, contingent upon continued employment.

(2) The value of the shares not vested is the number of shares multiplied by $7.39, the closing price of the Company’s stock on December 31, 2020.

(3) Stock options granted to NEOs prior to 2016 vested at the rate of 25% upon completion of 12 months of service and 1/48 per month thereafter, contingent upon continued employment, and expire seven years after grant. Beginning in 2016, stock options granted to NEOs vested at the rate of 33.33% upon completion of 12 months of service and 1/36 per month thereafter, contingent upon continued employment.

(4) Mr. Graham was appointed Senior Vice President, Global Sales and Video Services, on August 1, 2020.

(5) Mr. Louvet’s employment with the Company terminated on August 17, 2020.

(6) As of December 31, 2020, 183,333 shares subject to this RSU award were vested, and 16,667 shares will vest on February 15, 2021.

(7) As of December 31, 2020, 116,667 shares subject to this RSU award were vested, and 16,667 shares will vest at three-month intervals thereafter until all shares are vested.

(8) As of December 31, 2020, no shares subject to this TSR-based RSU award were vested. The RSU award covers a target number of shares of 200,000, with vesting based on the total stockholder return (TSR) to holders of Company common stock during the three-year performance period compared to that of companies in the NASDAQ Telecommunication Index at both the beginning and end of the performance period. See “Equity Compensation Plans – TSR Award” on page 33 of this Proxy Statement.

(9) As of December 31, 2020, no shares subject to this RSU award were vested, 60,944 shares will vest on February 15, 2021, and 15,236 shares will vest at three-month intervals thereafter until all shares are vested.

(10) As of December 31, 2020, no shares subject to this TSR-based RSU award were vested. The RSU award covers a target number of shares of 182,830, with vesting based on the total stockholder return (TSR) to holders of Company common stock during the three-year performance period compared to that of companies in the NASDAQ Telecommunication Index at both the beginning and end of the performance period. See “Equity Compensation Plans – TSR Award” on page 33 of this Proxy Statement.

(11) As of December 31, 2020, 91,666 shares subject to this RSU award were vested, and 8,334 shares will vest on February 15, 2021.

(12) As of December 31, 2020, 67,083 shares subject to this RSU award were vested, and 9,584 shares will vest at three-month intervals thereafter until all shares are vested.

(13) As of December 31, 2020, no shares subject to this RSU award were vested, 41,790 shares will vest on February 15, 2021, and 10,448 shares will vest at three-month intervals thereafter until all shares are vested.

(14) As of December 31, 2020, 110,000 shares subject to this RSU award were vested, and 10,000 shares will vest on February 15, 2021.

(15) As of December 31, 2020, 58,333 shares subject to this RSU award were vested, and 8,334 shares will vest at three-month intervals thereafter until all shares are vested.

(16) As of December 31, 2020, no shares subject to this RSU award were vested, 29,600 shares will vest on February 15, 2021, and 7,400 shares will vest at three-month intervals thereafter until all shares are vested.

(17) As of December 31, 2020, no shares subject to this performance-based RSU award were vested. The performance-based RSUs granted to Mr. Ben-Natan vested and settled in February 2021 based on the deemed achievement of the Cable Access business-related gross profit target for fiscal 2020. See “Equity Compensation Plans – Performance-based RSU Award” on page 34 of this Proxy Statement.

(18) As of December 31, 2020, 45,833 shares subject to this RSU award were vested, and 4,167 shares will vest on February 15, 2021.

(19) As of December 31, 2020, 32,083 shares subject to this RSU award were vested, and 4,584 shares will vest at three-month intervals thereafter until all shares are vested.

(20) As of December 31, 2020, no shares subject to this RSU award were vested, 16,366 shares will vest on February 15, 2021, and 4,092 shares will vest at three-month intervals thereafter until all shares are vested.

(21) As of December 31, 2020, no shares subject to this RSU award were vested, 6,666 shares will vest on August 15, 2021, and 1,667 shares will vest at three-month intervals thereafter until all shares are vested.

Options Exercised and Stock Vested During 2020

The following table summarizes (i) the options exercised during the year ended December 31, 2020 by our NEOs and the value realized upon exercise (which is the number of shares under each option exercised multiplied by (a) the closing price of the Common Stock on the day of exercise, less (b) the exercise price of the respective option), and (ii) the number of shares of Common Stock acquired by our NEOs, and the value of such shares, upon the vesting of RSUs and performance-based RSUs during the year ended December 31, 2020 (where the value realized on vesting is determined by multiplying the number of vested shares by the closing price of the Common Stock on the vesting date):

	Option Awards		Stock Awards	
Name	**Number of Shares Acquired on Exercise**	**Value Realized on Exercise**	**Number of Shares Acquired on Vesting**	**Value Realized on Vesting**
Patrick J. Harshman	126,756	$137,919	199,667	$1,279,082
Sanjay Kalra	—	—	108,750	$ 690,138
Nimrod Ben-Natan	—	—	145,333	$ 957,939
Neven Haltmayer	25,000	$ 96,503	96,625	$ 617,819
Ian Graham[1]	—	—	53,283	$ 339,429
Eric Louvet[2]	—	—	72,500	$ 459,254

(1) Mr. Graham was appointed Senior Vice President, Global Sales and Video Services, on August 1, 2020.

(2) Mr. Louvet’s employment with the Company terminated on August 17, 2020.

Pension Benefits and Nonqualified Deferred Compensation

There are no pension or retirement benefit plans for any of the NEOs, other than a 401(k) deferred compensation plan which is available to the NEOs based in the U.S. and all regular, full-time U.S. employees of the Company, with matching Company contributions to the 401(k) plan of up to $1,000 per annum per participant, and with respect to Messrs. Ben-Natan and Graham, pension schemes in Israel and the United Kingdom, respectively, into which the Company is required to make contributions for its employees based in those countries.

Potential Payments Upon Termination or Change-In-Control

The Company does not have employment agreements with any of its NEOs. As described in the Compensation Discussion & Analysis above, under the terms of the respective NEO’s change of control severance agreement, in the event of termination of the NEO other than for cause (as defined in the relevant change of control severance agreement) within 18 months following a change in control of the Company, the NEO will be entitled to certain payments. The Company has entered into change of control severance agreements with each of the NEOs. Based on a hypothetical termination date of December 31, 2020, the respective amounts paid to the NEOs in the event of termination following a change of control would have been:

Name	Salary	Bonus	Value of Unvested Restricted Stock Units(1)(2)	Other(3)	Total(4)
Patrick J. Harshman	$1,059,870	$1,324,838	$4,919,227	$30,103	$7,334,038
Sanjay Kalra	$ 357,000	$ 214,200	$1,342,179	$30,683	$1,944,062
Nimrod Ben-Natan	$ 375,659	$ 225,395	$1,308,303	$51,352	$1,960,709
Neven Haltmayer	$ 339,201	$ 203,521	$1,025,739	$31,456	$1,599,917
Ian Graham	$ 321,083	$ 321,083	$ 710,800	$13,473	$1,366,439
Eric Louvet (5)	—	—	—	—	—

(1) The amounts in this column represent the value which would have been realized by the acceleration of unvested RSUs and performance-based RSUs (if any), calculated by multiplying the number of shares by $7.39, which was the closing price of our Common Stock on December 31, 2020.

(2) The Company's change of control severance agreements have a provision that all unvested RSUs and options will be fully accelerated upon termination of employment within 18 months following a change of control. The value of Mr. Harshman's unvested RSUs assumes a December 31, 2020 change in control of the Company for purposes of his 2019 and 2020 TSR Awards. As described in "Equity Compensation Plans – TSR Award" on page 33 of this Proxy Statement, upon a change in control of the Company, the Company TSR will be compared to the Index TSR over such adjusted performance period to determine the number of RSUs that will vest. A prorated number of RSUs will vest upon the change in control of the Company, based on the number of months served during the performance period and the remaining RSUs will vest in equal quarterly installments over the remainder of the original performance period (subject to further vesting under Mr. Harshman's change of control severance agreement). If a change in control occurred on December 31, 2020, the value of his 2019 and 2020 TSR Awards that would vest on the change in control is equal to $923,750 and $394,075 (assuming achievement at target).

(3) The amounts in the column "Other" represent the maximum premium cost of continuing health, dental and life insurance benefits and outplacement fees. For Mr. Ben-Natan, the amount represents outplacement fees and applicable pension and social fund contributions pursuant to statutory requirements.

(4) The Company's change of control severance agreements have a provision that payments will either be made in full, with the executive paying any applicable Section 4999 excise taxes as the result of the applicable of Section 280G of the Code, or the payments will be reduced to a level that does not trigger the Section 4999 excise tax as the result of the applicable of Section 280G of the Code, whichever results in a greater amount. The amounts shown in the table assume that the executive would elect to receive full payment and pay any applicable excise taxes.

(5) Mr. Louvet's employment with the Company terminated on August 17, 2020, and he did not receive any payments upon his termination.

Compensation Committee Interlocks and Insider Participation

No member of the Compensation Committee or executive officer of the Company has a relationship that would constitute an interlocking relationship with executive officers or directors of another entity, as described in Item 407(e)(4) of Regulation S-K.

Equity Plan Information as of December 31, 2020

Plan Category	Number of Securities to be Issued upon Exercise of Outstanding Options, Warrants and Rights	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights(2)	Number of Securities Remaining Available for Future Issuance under Equity Compensation Plans (Excluding Securities Reflected in first Column)
Equity plans approved by security holders(1)	1,453,001	$5.8049	8,134,703
Equity plan not approved by security holders	—	—	—

(1) All of the Company's equity compensation plans have been approved by stockholders. This information, as of December 31, 2020, is with respect to the 1995 Stock Plan, the 2002 Director Stock Plan and the ESPP.

(2) The weighted average exercise price of outstanding options, warrants and rights, excluding the Company's unvested RSUs for which there is no exercise consideration, is $5.8049.

CEO Pay Ratio

Pursuant to Section 953(b) of the Dodd-Frank Wall Street Reform and Consumer Protection Act, and Item 402(u) of Regulation S-K, we are required to calculate and disclose the total compensation paid to our median paid employee, as well as the ratio of the total compensation paid to the median employee as compared to the total compensation paid to Harmonic's CEO, Patrick Harshman. The paragraphs that follow describe our methodology and the resulting CEO pay ratio.

Measurement Date. We identified the median employee using our employee population as of December 31, 2020, which is a date within the last 3 months of our last completed fiscal year.

Consistently Applied Compensation Measure (CACM). Under the relevant rules, we were required to identify the median employee by use of a “consistently applied compensation measure,” or CACM. We chose a CACM that closely approximates the annual total target direct compensation of our employees. Specifically, we identified the median employee by looking at annual base pay, bonus or commission opportunity at target, and the grant date fair value for standard equity awards. We adjusted the compensation paid to part-time employees by annualizing base pay and any bonus or commission target, as applicable, to calculate what they would have been paid on a full-time basis. With respect to our non-U.S. employees, we converted all compensation amounts to U.S. dollar using the applicable currency exchange rate as of April 2, 2021.

Methodology and Pay Ratio. After applying our CACM methodology, we determined our median employee. The 2020 total annual compensation of our median employee was $97,413. Our CEO’s total 2020 compensation as reported in the Summary Compensation Table was $3,498,333. Therefore, the ratio of the annual total compensation of the Company’s CEO to the annual total compensation of the median employee is 36:1.

As of December 31, 2020, approximately 31% of our global workforce was based in the United States and approximately 69% was based outside of the United States, with approximately 50% of our employees located in the Europe-Middle-East-Africa (EMEA) region and 17% in the Asia-Pacific (APAC) region. If our median employee was determined using only our U.S. employees as of December 31, 2020, the 2020 compensation of our median employee would be $152,281 and our CEO to median employee pay ratio would be 23:1.

This information is being provided for compliance purposes and is a reasonable estimate calculated in a manner consistent with Item 402(u). Neither the Compensation Committee nor management of the company used the pay ratio measure in making compensation decisions.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth certain information known to the Company with respect to beneficial ownership of the Company's Common Stock as of April 1, 2021, by (i) each beneficial owner of more than 5% of the Common Stock; (ii) each director; (iii) each NEO; and (iv) all of the Company's current directors and executive officers as a group. Except as otherwise indicated, each person has sole voting and investment power with respect to all shares shown as beneficially owned, subject to community property laws where applicable. The address for each of the directors and NEOs is c/o Harmonic Inc., 2590 Orchard Parkway, San Jose, California 95131.

Name and Address of Beneficial Owner	Number of Shares	Percent of Total[1]
T. Rowe Price Associates, Inc., 100 E. Pratt Street, Baltimore, MD 21202[2]	16,629,739	16.4%
BlackRock Inc., 55 East 52nd St. New York, NY 10022[3]	15,283,067	15.1%
Scopia Capital Management LP, 152 West 57th St. New York, NY 10019[4]	9,692,935	9.6%
The Vanguard Group, 100 Vanguard Blvd., Malvern, PA 19355[5]	6,293,330	6.2%
Dimensional Fund Advisors LP, 6300 Bee Cave Road, Building One, Austin, TX 78746[6]	5,306,105	5.2%
Patrick Gallagher[7]	220,561	*
Deborah Clifford[7]	41,101	*
David Krall[7]	109,492	*
Mitzi Reaugh[7]	236,168	*
Susan G. Swenson[7]	200,668	*
Nikos Theodosopoulos[8]	193,745	*
Patrick J. Harshman[9]	1,657,317	1.64%
Nimrod Ben-Natan[10]	612,133	*
Neven Haltmayer[11]	281,522	*
Sanjay Kalra[12]	183,275	*
Ian Graham[13]	86,223	*
Eric Louvet[14]	—	*
All directors and executive officers as a group (11 persons)[15]		3.78%

* Percentage of shares beneficially owned is less than one percent of total.

(1) The number of shares of Common Stock outstanding used in calculating the percentage for each listed person or entity is based on 100,989,785 shares of Common Stock outstanding as of April 1, 2021. Shares of Common Stock subject to stock options which are currently exercisable or will become exercisable, and RSUs which are currently vested or will become vested, in each case within 60 days of April 1, 2021, are deemed outstanding for purposes of computing the percentage of the person holding such options or RSUs, but are not deemed outstanding for purposes of computing the percentage of any other person.

(2) Based solely on a review of a Schedule 13G/A filed with the SEC on February 16, 2021 by T. Rowe Price Associates, Inc. and T. Rowe Price Small-Cap Value Fund, Inc. T. Rowe Price Associates, Inc. reported sole voting power with respect to 5,319,238 shares and sole dispositive power with respect to 16,629,739 shares and T. Rowe Price Small-Cap Value Fund, Inc. reported sole voting power with respect to 10,994,490 shares.

(3) Based solely on a review of a Schedule 13G filed with the SEC on January 25, 2021 by BlackRock Inc. BlackRock Inc. and certain of its wholly-owned subsidiaries reported sole voting power with respect to 15,128,574 shares and sole dispositive power with respect to 15,283,067 shares. Additionally, such Schedule 13G/A reported that the interest of iShares Core S&P Small-Cap ETF in the Common Stock is more than five percent of the total outstanding Common Stock.

(4) Based solely on a review of a Schedule 13D/A filed with the SEC on April 12, 2021 by Scopia Capital Management LP, Scopia Management, Inc. Matthew Sirovich, and Jeremy Mindich. Each of these persons and entities reported shared voting power with respect to 9,629,935 shares and shared dispositive power with respect to all 9,629,935 shares.

(5) Based solely on a review of a Schedule 13G/A filed with the SEC on February 10, 2021 by The Vanguard Group, reporting shared voting power with respect to 92,889 shares, sole dispositive power with respect to 6,121,138 shares, and shared dispositive power with respect to 172,192 shares.

(6) Based solely on a review of a Schedule 13G/A filed with the SEC on February 12, 2021 by Dimensional Fund Advisors LP. Dimensional Fund Advisors LP reported sole voting power with respect to 5,039,649 shares and sole dispositive power with respect to 5,306,105 shares.

(7) Includes no shares which may be acquired upon exercise of options exercisable or vesting of RSUs within 60 days of April 1, 2021.

(8) Includes 30,000 shares which may be acquired upon exercise of options exercisable or vesting of RSUs within 60 days of April 1, 2021.

(9) Includes 565,235 shares which may be acquired upon exercise of options exercisable or vesting of RSUs within 60 days of April 1, 2021.

(10) Includes 175,733 shares which may be acquired upon exercise of options exercisable or vesting of RSUs within 60 days of April 1, 2021.

(11) Includes 120,733 shares which may be acquired upon exercise of options exercisable or vesting of RSUs 60 days of April 1, 2021.

(12) Includes 20,030 shares which may be acquired upon exercise of options exercisable or vesting of RSUs within 60 days of April 1, 2021.

(13) Includes 8,674 shares which may be acquired upon exercise of options exercisable or vesting of RSUs within 60 days of April 1, 2021.

(14) Mr. Louvet's employment with the Company terminated on August 17, 2020.

(15) Includes 920,405 shares which may be acquired upon exercise of options exercisable or vesting of RSUs within 60 days of April 1, 2021.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

It is Harmonic's policy that all employees, officers and directors must avoid any activity that is or has the appearance of conflicting with the interests of the Company. This policy is included in the Company's Code of Business Conduct and Ethics, which is posted on our website. All related party transactions must be reviewed and approved by the Company's Audit Committee.

Except for the compensation agreements and other arrangements that are described under "Executive Compensation", beginning on page 37 of this Proxy Statement, there was not during 2020, nor is there currently proposed, any transaction or series of similar transactions to which the Company was or is to be a party in which the amount involved exceeds $120,000 and in which any director, executive officer, 5% stockholder or any member of the immediate family of any of the foregoing persons had or will have a direct or indirect material interest.

The Company's Audit Committee has the responsibility to review proposed related party transactions for potential conflicts of interest and to approve all such transactions in advance.

OTHER MATTERS

The Company knows of no other matters to be properly submitted for stockholder action at the 2021 Annual Meeting. If any other matters properly come before the Annual Meeting, your shares of Common Stock will be voted at the discretion of the designated proxy holders.

IT IS IMPORTANT THAT ALL PROXIES BE RETURNED PROMPTLY. THE BOARD OF DIRECTORS URGES YOU TO VOTE VIA THE INTERNET OR BY TELEPHONE AS INSTRUCTED ON THE E-PROXY NOTICE OR PROXY CARD, OR IF YOU HAVE REQUESTED PROXY MATERIALS IN PAPER FORM, SIGN, DATE AND RETURN THE ENCLOSED PROXY CARD IN THE ENCLOSED POSTAGE-PAID ENVELOPE.

By Order of the Board of Directors,

Timothy Chu
Corporate Secretary

Dated: April 28, 2021