



MRV'S GROUP

GIFTS, HOSPITALITY AND ENTERTAINMENT POLICY

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1. OBJECTIVE

The purpose of this policy is to set out the guidelines and proper procedures for giving and receiving gifts, hospitality, entertainment and other benefits within the MRV Group, aiming to minimize real, potential or perceived conflicts of interest and situations that may be characterized as bribery or corruption.

The items within this policy should be interpreted as a whole and should serve as a compliment to the directives as established in the MRV Group's Code of Conduct and Anti-Corruption Laws policies.

2. SCOPE

The current policy applies to all company administrators and staff members (direct contract or third-party) within the MRV Group, regardless of management level, in addition to suppliers, third-party service providers, associates that carry out duties in the name of the MRV Group, as well as other business partners.

3. DEFINITIONS

Some of the terms of this policy have been listed below and shall be defined as follows:

- **Public Official:** any individual permanently or temporarily carrying out public service, with or without remuneration by election, appointment, designation, contract or any other investment or connection, title, position, employment or public office. This also applies to public officials who carry out third-party services within any Public Administration departments.

- **Gifts:** any item that (i) does not have any commercial value and is distributed as a courtesy, advertising or regular marketing tool; (ii) bears the company logo of the issuing party; (iii) is of a general nature, therefore, does not exclusively target any individual or organization.

- **Entertainment:** any activity or event where the sole purpose is entertainment or leisure such as parties, shows, sporting events or dining out and commemorative meals.

- **Hospitality:** encompasses travel costs (air, ground or maritime travel costs), hospitality fees, food services and costs, whether classified as corporate entertainment, or otherwise.

- **Bribery:** any act of giving or receiving any amount aimed at influencing or inappropriately guaranteeing an advantage as regards any business dealing, contract, decision or result.

4. GENERAL DIRECTIVES

The giving and receiving of corporate gifts and hospitality is a widely accepted part of day-to-day business; a courtesy in business symbolizing the act of kindness and appreciation, if it is done through incidental business related events or occasions, through the proper channels and carried out in good faith.

In some circumstances, the giving and receiving of gifts, hospitality or entertainment may create expectation or create a feeling of retribution, perceptions of bribery or inappropriate advantage, ultimately resulting in a conflict of interest.

These situations that may be carried out inappropriately or in bad faith, in order to gain favor or improperly influence the normal functioning of a public or private sector official; staff member should firmly refuse giving or receiving gifts, regardless of the type of gift or apparent value.

This policy seeks to guide staff members to ensure that they behave maintaining best practices, avoiding situations that may interfere in their decisions thus causing or perceiving to cause discredit to their own reputation or the MRV Group.

5. SPECIFIC DIRECTIVES

5.1. Accepting Gifts, Hospitality and Entertainment

All gifts, hospitality and entertainment received by staff members at any level must be declared on the Gifts and Hospitality Register, available on the company network.

Institutional gifts and corporate marketing material of nominal value are acceptable (such as office materials, daily planners, pens, calendars, hats, books, etc.) and may be received and accepted by staff members.

Any gifts of commercial value, even if they bear the company brand, such as presents, sporting event tickets and shows are acceptable but will be put up for drawing among staff members in order to avoid any situations that may interfere with regular decision making or cause, or be perceived to cause, any discredit to the individual staff member or the MRV Group.

The Compliance Department will receive and analyze all registries of gifts, hospitality and entertainment and evaluate whether the staff member may keep the item or if it will be announced on the internal network and put up for drawing, overseen by the Internal Auditing department, among staff members.

It is strictly forbidden to resell any gifts, hospitality, sporting event tickets or entertainment tickets that are raffled off both in and out of the office.

Any dining out should be preferentially take place at lunch hours, and luncheons and dining out with suppliers should be avoided during the negotiation/contract signing phases.

If a staff member has any questions regarding offering or receiving any type of gift or hospitality, they may contact their immediate superior, manager or directly contact the Compliance Department for further clarification.

5.2. Inappropriate Gifts, Hospitality or Entertainment

It is expressly forbidden for staff members to solicit favors or gifts from partners with whom the company does business for either personal gain or for gain to a family member, as well as misleading or giving the impression that any transaction, contract for decision depends on the promise of a favor, present or hospitality.

It is also expressly forbidden for staff members to except any amount of money or equivalent, independent of the amount, as a present.

Any staff member who is invited to participate in sponsored events or events promoted by partners, suppliers or any representatives from the MRV Group may only except after formal approval and consent has been granted by the respective executive director.

Formal approval must also be obtained from the respective executive director should the event organizer offer to pay for travel fees and hospitality. Travel costs will not be approved for any individuals connected to the beneficiary, for example family members.

Staff members should not receive gifts, hospitality or entertainment in their place of residence. Should this issue arise, staff shall be required to file an official form of what was received at their place of residence so that it may be duly reviewed by the Compliance Department.

5.3. Procurement Department Restrictions

Staff members in the Procurement Department, by its nature, often find themselves in the unique position of authorizing/renewing contracts, and therefore must take the necessary precautionary measures to avoid situations that may interfere in decision-making; thus only company gifts with no commercial value may be accepted such as office supplies, daily planners, pens, calendars, hats and similar corporate marketing tools.

In the event staff members receive any gifts or presents mentioned above, they shall be logged into the Gifts and Hospitality Registry within the company network and raffled off among office members.

Procurement Department staff members may not accept any type of gift in exchange for favors from suppliers, third-party service providers or partners that are participating in contract bids or renewal of contracts for services, products or materials in order to avoid any sort of inappropriate business dealings.

5.4. Public Office Restrictions

Staff members, stakeholders and suppliers are strictly prohibited to directly or indirectly accept, offer or provide favors, money, presents and hospitality to public officials or those related to public officials, seeking to gain advantage, influence or sway their decisions for personal gain or company gain.

Aiming to avoid uncomfortable or suspicious situations, all gifts, presents and hospitality must be reported and logged into company records; in addition, only promotional marketing gifts of no commercial value will be permitted.

One important issue of note, is that gifts to be distributed to public officials must take place under the title of courtesy, advertising, regular marketing material at events or commemorative dates, widely offered to the general public, without targeting specific individuals of specific authorities or departments.

In the event of questions regarding offering or excepting any kind of gift or present in business dealings with public officials, individuals may contact their immediate superior, manager or the Compliance Department directly.

5.5. Annual Gifts

Staff members should avoid receiving any gifts from the same supplier, partner or third-party provider more than two times in any twelve (12) month period.

6. PROCEDURE FOR RECEIVING GIFTS, HOSPITALITY AND ENTERTAINMENT

All gifts, hospitality and entertainment received by any staff member at any managerial level must be registered through the company's internal network in the Gifts and Hospitality Registry immediately after receipt.

Registries will be received by the Compliance Department for a thorough analysis of the issuing individual or organization, the procedure with which the gift was offered and the commercial value of the item(s).

After verification, in accordance with the items stated in this policy, staff members will be instructed on whether they may keep the item or put the item up for public drawing among staff members.

The drawing or raffle will take place and be posted on the company's internal network, overseen by the Internal Auditing staff.

In the event the gifts, hospitality or entertainment was received outside of the normal procedures of this policy, the staff member will be instructed to return the item to the issuing individual or organization, duly justifying the reasons for refusal.

7. COMMUNICATION, TRAINING AND QUESTIONS

The MRV Group will maintain a communication plan and constant, periodic training sessions for all of its stakeholders aiming to promote and strengthen the importance of compliance of the Public Office Relations Policy.

All MRV Group leaders should be held responsible for discussing the importance of this policy with staff members and promoting awareness of compliance with company policy by creating a safe environment for staff

members to openly approach leaders with questions or concerns regarding how to deal with questionable issues.

Any situations, exceptions and/or clarification about the application of this policy should be handled through the Confidential Communication Channel under the heading, 'Speak with the Compliance Department', available on the company network.

8. CONFIDENTIAL COMMUNICATION CHANNEL

It is imperative that all individuals affected by this policy immediately report any acts or suspicions of bribery, corruption and/or giving/receiving bribes or any other acts that may violate the Public Office Relations Policy and/or the Code of Conduct.

As a result, we have created the Confidential Communication Channel:

-E-Mail: canalconfidencialmrv@br.ictsglobal.com

-Website: www.canalconfidencial.com.br/mrv – available 24 hours/day

-Telephone: 0800 888 2833 – representative available from Monday to Friday, from 9am-5pm – voice mail available outside of office hours

-Address: Caixa Postal 521 (Post Office Box) CEP 06320-971

This media channel is operated by a specialized company, thereby guaranteeing ensured confidentiality and safety. Individuals need not identify themselves upon contacting this hotline, nevertheless individuals are requested to act responsibly and any reports must be consistent and truthful.

Staff members can be ensured that there will be no retribution as a result of using the channel in good faith to report suspicions or file complaints as regards this policy or instances of corruption.

9. INVESTIGATIONS AND SANCTIONS

All reported infractions of this policy will be immediately investigated to the fullest extent. If any misconduct is, in fact, verified after the appropriate investigation, immediate and exemplary corrective measures will be taken according to the circumstances, severity and within the applicable laws.

Any staff member, third-party service provider or partner that violates any the policies herein stated will be subject to the proper disciplinary sanctions as stated in the MRV Group's Code of Conduct, as listed below:

- Written warning
- Suspension
- Dismissal without just cause
- Dismissal with just cause
- Exclusion of supplier, partner or contractor from MRV Group
- Appropriate legal action

10. RESPONSIBILITIES

All MRV Group staff members must comply with the Anti-corruption policy to the best of their abilities and ensure that all third-party service providers and partners within their communication network are aware of the Terms and Conditions therein.