

**ANTI-CORRUPTION AND ANTI-BRIBERY POLICY**  
**(this “Policy”)**

- I. **POLICY STATEMENTS.** II-VI Incorporated, and its subsidiaries and affiliates (“II-VI”) compete for business opportunities based on the quality of our products and services. We undertake all our work with honesty and integrity, and do not make improper payments to influence the actions or decisions of governments or commercial counterparties, or solicit or accept improper payments. The U.S. Foreign Corrupt Practices Act (“FCPA”), which prohibits improper payments to government officials, (is applied) to II-VI globally. Other anti-corruption laws, for example the U.K. Bribery Act, prohibit improper payments to non-government as well as government officials. It is II-VI’s policy to fully comply with the laws (the “Anti-Corruption Laws”) in each country where we do business.

It is also II-VI’s policy to keep books and records that accurately and fairly reflect its transactions and the use of its assets, and to maintain a system of adequate internal accounting controls.

- A. **Scope and Responsibilities.** This Policy applies to all II-VI employees. To fulfill our commitment to abide by Anti-Corruption Laws, II-VI employees must understand the rules that apply to them. Every II-VI employee must:

1. Understand and comply with all applicable Anti-Corruption Laws, as well as this Policy, and the related policies and other requirements of individual II-VI business units that are in force.
2. Be familiar with the rules that are in force at the II-VI location where they are, whether that is their usual workplace, a II-VI location that they visit, or an off-site location, for example at a customer or supplier’s place of business. If there is a conflict between what different policies or laws require of us in a particular situation, II-VI applies the most restrictive rule.
3. Sign an Anti-Corruption Policy Acknowledgement (Appendix A) if you are requested to do so.
4. Report violations or suspected violations of this Policy. II-VI will not tolerate retaliation against an employee for making a fact based and good faith report.

- B. **Prohibitions.** While conducting business on behalf of II-VI, II-VI employees are prohibited from doing any of the things listed below. We are also prohibited from doing any of these things through an intermediary, such as a third party service provider, or a sales representative, consultant, broker or agent.

**Prohibited Activities**

1. **Making Improper Payments.** Offering, promising, or giving an “item of value,” directly or indirectly, to a person, or someone closely associated with that person (such as a family member, a related company, or a charity of that person’s choice) in order to receive an improper advantage. An “item of value” is a broad category that may include a gift, donation, payment, entertainment, travel, or employment. These activities are prohibited whether the person is a government official or not.

2. **Accepting Improper Payments.** Requesting, agreeing to receive, or accepting an item of value, with the intent of providing an improper advantage to someone else is prohibited. It does not matter if the request is made directly or through a third party, or whether anyone knows or believes the request is ultimately to gain an improper advantage.
  3. **Grease Payments.** Making a payment to expedite routine government functions (known as “Facilitation” or “Grease” payments), such as obtaining a visa, decreasing a tax liability, or getting a license to operate a facility. If this type of payment is made despite this prohibition, the person making the Facilitation or Grease payment must immediately report it to one of the places identified at the bottom of this Policy.
- C. Offers and Requests.** If a II-VI employee receives a request for a bribe or any other form of improper payment, or if someone offers an improper payment, the II-VI employee must reject and report it to the Chief Compliance Officer.
- D. Red Flags.** When doing business – with a supplier or potential supplier, a customer or potential customer, a government official, or anyone else -- there may be “red flags” that indicate the possibility of corruption. Employees should be alert to red flags, and must report their concerns to the Chief Compliance Officer before entering a transaction that may involve improper influence, corruption or any other illegitimate practice. Here are some examples.
1. The third party is doing business in a country that has a reputation for problems with corruption.
  2. The third party has a reputation for engaging in improper or corrupt transactions.
  3. The third party requests fees, commissions, or discounts that are not standard in the industry for the type of transaction or that are otherwise excessive.
  4. The third party requests payment in cash, or for payments to be made to a different person, to a bank account in another country; or for any other payment arrangement that is not standard in the industry.
  5. The third party has a special relationship to a government official, and offers II-VI access to that official.
  6. The third party refuses to provide representations on its conduct (such as whether the agent is aware of applicable Anti-Corruption Laws), or refuses to agree to comply with Anti-Corruption Laws).
  7. The third party requests payment of lavish travel and entertainment expenses, or gifts for government officials.
  8. The third party requests that its relationship with II-VI be kept secret, or misrepresents its background, history, or experience.
  9. The third party has a lack of transparency in its accounting records, or its invoices are inflated, or inadequately documented.
  10. The third party has an apparent lack of qualifications or resources to perform the services requested.
  11. The third party seeks an agreement that lacks a defined statement of work or insists on vaguely defined terms regarding performance.
  12. A government official strongly “recommends” that II-VI work with a particular third party.

## MATERIALS THAT MATTER™

- II. **RECORDKEEPING.** Compliance with II-VI's accounting and internal control procedures is mandatory. The FCPA and other laws require that all accounting records, expenditures, expense reports, invoices, vouchers, gifts, business entertainment and other business records must be accurately and reliably reported and recorded. Payments by or on behalf of II-VI may only be made on the basis of appropriate supporting documentation, and for the purposes specified in that documentation. Undisclosed or unrecorded payments are prohibited.
- III. **OTHER POLICIES.** This Policy supersedes other Corporate II-VI policies on the same subject. If a II-VI subsidiary or affiliate has an anticorruption policy with more stringent provisions, those should be brought to the attention of the II-VI Chief Compliance Officer.
- IV. **VIOLATIONS.** Violations of Anti-Corruption Laws can result in significant fines to II-VI, and our directors, officers, and employees; prison sentences for individuals who engage in improper behavior; and damage to II-VI's reputation and our ability to conduct business. In addition, violations of Anti-Corruption Laws are not covered by insurance, and II-VI cannot indemnify individuals. II-VI may take disciplinary action, up to termination of employment, if an employee fails to adhere to this Policy.
- V. **REPORTS AND QUESTIONS.** You must report red flags to the Chief Compliance Officer. For all other questions or concerns relating to this Policy, consult your manager, the II-VI Legal, Intellectual Property and Compliance Department, or II-VI Internal Auditor, or call the II-VI Compliance Hotline at: +1.866.829.3062.