



U.S. Department of Justice

Criminal Division

*Fraud Section
1400 New York Avenue, NW
Washington, D.C. 20005*

December 20, 2018

Caz Hashemi
Wilson Sonsini Goodrich & Rosati
650 Page Mill Road
Palo Alto, CA 94304

Rohan Virginkar
Foley & Lardner LLP
Washington Harbour
3000 K Street, N.W.
Suite 600
Washington, D.C. 20007-5109

Re: Polycom, Inc.

Dear Mr. Hashemi:

We write regarding the investigation by the Department of Justice, Criminal Division, Fraud Section (the "Department") into your client Polycom, Inc. ("Polycom" or the "Company") concerning violations of the Foreign Corrupt Practices Act, 15 U.S.C. § 78dd-1, *et seq.* Based upon the information known to the Department at this time, we have declined prosecution consistent with the FCPA Corporate Enforcement Policy. We have reached this conclusion despite the bribery committed by employees of the Company's subsidiaries in China, and these subsidiaries' knowing and willful causing of false books and records at Polycom. We based this decision on a number of factors, including: (1) Polycom's identification of the misconduct; (2) Polycom's prompt, voluntary self-disclosure of the misconduct; (3) Polycom's thorough investigation; (4) Polycom's full cooperation in this matter, including providing the Department all facts relating to that misconduct, making employees available for interviews and assisting the Department's efforts to interview a former employee, translating foreign language documents to English, and identifying unrelated misconduct to the Department for investigation and potential prosecution, and its agreement to continue to cooperate in the Department's ongoing investigations and/or prosecutions; (5) Polycom's remediation, including the steps that Polycom took to enhance its compliance program and its internal accounting controls, terminating the employment of 8 individuals involved in the misconduct, disciplining 18 other employees, and terminating the Company's relationship with one of its channel partners.

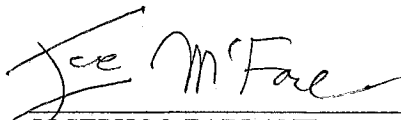
Pursuant to this letter agreement, the Company agrees to disgorge \$30,978,000 (the "Disgorgement Amount"), which represents the profit to the Company from the illegally obtained contracts in China. The Company will pay \$10,672,926 in disgorgement of profits earned within the time limits prescribed by 28 U.S.C. § 2462 to the U.S. Securities and Exchange Commission, \$10,152,537 to the United States Treasury Department, and \$10,152,537 to the United States Postal Inspection Service Consumer Fraud Fund. The payments to the Treasury Department and to the United States Postal Inspection Service Consumer Fraud Fund shall be made within ten (10) business days of the execution of this letter. The Company acknowledges that no tax deduction may be sought in connection with any part of its payment of the Disgorgement Amount. The Company further agrees that it will not seek or accept directly or indirectly reimbursement or indemnification from any source with regard to the Disgorgement Amount other than from an escrow account set up by Polycom's previous ownership.

This letter agreement does not provide any protection against prosecution of any individuals, regardless of their affiliation with Polycom. If the Department learns information that changes its assessment of any of the factors outlined above, it may reopen its inquiry.

Sincerely,

SANDRA MOSER
Acting Chief, Fraud Section
Criminal Division
U.S. Department of Justice

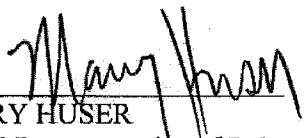
By:



JOSEPH MCFARLANE
Trial Attorney
FCPA Unit

Polycom agrees and consents to the facts and conditions set forth herein:

By:




MARY HUSER
Legal Representative of Polycom, Inc.

Date:

12/20/18

By:



CAZ HASHEMI
Wilson Sonsini Goodrich & Rosati
Counsel for Polycom, Inc.

Date:

12/20/18