

## **GLOBAL CODE OF CONDUCT AND POLICY STATEMENTS FOR WORKING WITH GOVERNMENTS** **(this “Policy”)**

### **Applicability**

This Code of Conduct (“Code”) applies to all employees of II-VI Incorporated, its subsidiaries and affiliates, who interact with governments, whether selling to and contracting with governments, applying for licenses and permits, reporting on or clearing imports or exports, reporting taxes, or otherwise.

### **Value Statement**

II-VI’s Worldwide Values require us to put our customers first; communicate openly; manage by the facts; and make decisions with honesty and integrity. Likewise, governments demand that we conduct our business ethically, and in compliance with applicable laws and regulations. Even the appearance of impropriety can be the basis for government audits and investigations that could result in II-VI’s being excluded from government business opportunities, or result in criminal and civil penalties for II-VI, or for us as individuals.

This Code, the II-VI Standards of Business Conduct (SBC), any policies and procedures implemented by II-VI divisions or subsidiaries to assure compliance with this Code, and the terms of contracts between II-VI and governmental entities, inform us of how to work with governments. If there is a conflict between this Code and any other II-VI policy or procedure, or between a II-VI policy or procedure and the terms of a government contract, the highest standard of conduct applies.

### **Avoiding False Statements and False Representations**

All statements and representations that we make to a government, or to a II-VI business partner that buys from us and ultimately sells II-VI products to a government, must be truthful, accurate, complete, and supported by facts. This includes, for example, information on prices or costs; developing invoices; making representations and certifications; describing our products; and creating proposals.

### **Accounting, Financial and Business Records**

II-VI provides financial, accounting and other business information to government regulators and to government clients. We must assure that all II-VI finance, accounting and other business records relating to our government interactions are accurate, complete and current. We must accurately identify transactions; keep records current; follow II-VI processes designed to assure that our records are consistently and accurately maintained; and, if necessary, conduct diligence to make sure any statement we make to a government, in writing or orally, is accurate, complete and up-to-date.

### **Recruiting and Hiring Government Employees**

Government employees may be attractive candidates to work at II-VI. If planning to recruit and hire a current or former government employee, we must avoid conflicts of interest or the appearance of a conflict of interest in making recruiting choices. For example, a U.S. law prohibits us from engaging in employment discussions with a U.S. federal government employee who is participating in a matter relating to II-VI, or who has any government procurement responsibilities, even if unrelated to II-VI. Other countries have similar conflict of interest laws when recruiting a government employee.

Laws broadly define “employment discussions” so, even accepting a resume from a government employee is considered “employment discussions”, so consult with II-VI Human Resources (“HR”) before engaging in any employment discussions with a current or former government employee.

**No Slavery or Human Trafficking**

II-VI does not permit any form of slavery or human trafficking in its own operations or its supply chain. Slavery and human trafficking include forced labor; bonded and child labor; using coercion, fraud, threats or deception to induce someone to work; and paying for sexual activity.

We must never confiscate, conceal, destroy or deny potential or current employees access to their identity documents such as identification cards, passports, or immigration documents. We must also assure that any recruiter we use these requirements.

**Meals, Gifts, Gratuities, Bribes, Kickbacks**

When working with a government, we must do so with honesty and integrity, and in accordance with the II-VI Anti-Corruption and Bribery Policy. That policy requires us to avoid even the perception that we are giving or offering something of value to a government employee in exchange for favorable consideration, or to influence a government action or inaction. It also requires that we not give meals, gifts, gratuities, or anything of value that may be considered an improper payment or a bribe. Likewise, we must not solicit or accept anything of value, directly or indirectly, from a government official, or anyone else in the government contracting chain, that may be considered an improper payment, bribe or kickback.

Governments also impose requirements on their employees. Typically, government employees may not receive meals, gifts, entertainment, travel, assistance with an employment search, attendance at seminars, contributions to charities of their selection, or any other items of value. II-VI must abide by and respect all requirements placed on government employees. Before providing anything of value to a government employee, be sure that it is consistent with II-VI policy, and all rules that apply to the government employee.

**Political Activity and Lobbying**

In addition to needing to interact with government as part of our work at II-VI, we may also choose to participate in the political process individually, as a part of being an involved citizen. Any political activity should be undertaken on personal time, and using personal resources. We should not use II-VI resources or solicit our II-VI colleagues to support political activities, except through the II-VI Political Action Committee.

Similarly, if meeting with members of the legislative branch of government or with appointed government officials and employees on behalf of II-VI, be sure that any time spent and any communications made are documented; and, if necessary, work with the II-VI Office of Chief Compliance Officer to determine if the activities require registration as a lobbyist.

**Suppliers, Subcontracting and Third Parties**

We value the teamwork, efficiencies and capabilities that come from partnering with suppliers, subcontractors and other third parties. These relationships work best when our business partners have the same commitment to honesty, integrity and quality that we have. This requires us to select and work with businesses in accordance with applicable regulations and contract terms. For example, we may be required to work with a small business, or we might not be able to use suppliers from outside the country that is sponsoring the contract.

We must always be sure to include terms and conditions in our contracts with business partners that protect II-VI and, if required by the government entity we are doing business with, we must cascade, or flow down, any government required terms and conditions to subcontractors.

### **Global Trade**

As a global business, II-VI transfers its products, technologies and services to many countries. Those transfers must be consistent with II-VI Global Trade policy, and all contractual and regulatory requirements. If working on a government contract, we need to be aware of any trade restrictions that either limit or prohibit us from buying goods and services from, or selling them to, certain countries.

### **Protecting Information**

II-VI's competitive edge comes in part from our unique, valuable, and useful information and technology. It is vital that we secure and protect this information and technology. In addition, we must properly secure and protect government information. Some examples of government information that must be properly secured and protected include government defense information, and cost or pricing data for government contracts. All government-related information and technology, whether it is in hard copy or electronic form, must be properly protected, so that confidential information is not improperly released. Failing to protect information and technology, whether intentional or inadvertent, may violate the law or compromise the national security of a government where we do business.

In the instance that government information or technology is not properly secured, or that we have improperly received government information or technology, be sure to contact one of the people in the Asking Questions and Reporting Concerns section below.

### **Procurement Integrity**

When pursuing government contracts, we may not engage in any action to attempt to improperly influence the bidder selection, or the contract award process. We must also ask for, and follow, the communication rules that apply to government employees and the procurement process. In addition, we may not ask for or receive any of the following:

- another contractor's or subcontractor's bid or proposal information
- the government's source selection information
- the proprietary, business-sensitive information of another contractor, subcontractor or of the government.

If we inadvertently acquire bid, proposal, source selection or proprietary information of another contractor, subcontractor or the government, immediately take steps to ensure that the information is secure. Do not share it with anyone, and immediately contact the II-VI Chief Compliance Officer.

In seeking a government contract, we may not pay another business or individual a "success fee," or any fee that is based on II-VI's being awarded the contract. We may work with a legitimate marketing agency, so long as the marketing agency does not exert, or propose exerting, improper influence on the procurement process.

### **Organizational Conflicts of Interest**

We must be sure that any government contract we pursue for II-VI does not create an organizational conflict of interest that gives II-VI an unfair competitive advantage. For example, we may not

- Draft a statement of work, or any other document, that the government then uses to develop a Request for Information or a Request for Proposal.

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- Have impaired objectivity that compromises II-VI's ability to be impartial when performing a contract.
- Have access to non-public information that other bidders do not have, such as the government's sensitive procurement information, or its source selection plans or criteria.

Failing to avoid, disclose or mitigate organizational conflicts of interest may result in II-VI being disqualified from pursuing government contracts. In some instances it may result in criminal or civil investigations and prosecution.

**Personal Conflicts of Interest**

Personal conflicts of interest arise in many situations, such as where we or our family members stand to benefit from a decision that we make at work. In the government contracting arena, this could happen if II-VI requires the participation of a lower tier supplier in order to bid on a government contract, if the decision maker at the lower tier supplier is a friend or family.

If a relationship, business interest, investment or affiliation exists that could result in a conflict of interest, it must be disclosed to a manager. The government may require disclosure as well. If an actual or potential conflict is disclosed, we must follow any requirements the government imposes on how to mitigate the conflict.

**Fair Competition**

As in all its business activities, including government contracting, II-VI is committed to fair competition, in accordance with II-VI Anti-trust and Competition Policy.

**Fair Employment**

II-VI's commitment to teamwork and to open communication demands that we treat one another with respect and consideration. In our workplace this means we must comply with all II-VI policies on working conditions, wage and hour expectations, and other aspects of a fair and respectful workplace.

**Safe, Clean and Orderly Work Place**

II-VI values a safe, clean and orderly work environment. To meet this commitment, we must conduct our work in a manner that protects the health and safety of those we work with, the security of II-VI's facilities, and the environment. If working on a government contract, be sure to identify and comply with the environmental and safety conditions of the contract.

**Asking Questions and Reporting Concerns**

II-VI values open communications and continuous improvement and learning. To act on these values, we must ask questions and raise concerns if encountering a situation that might be inconsistent with II-VI values, policies, or procedures. This is something we expect of ourselves, and that governments expect of us as well.

Any question or concern may be reported to managers, to members of our HR team, to the Office of Chief Compliance Officer, or anonymously through the II-VI Compliance Hotline at: +1.866.829.3062.

Upon learning of a question or concern, II-VI will quickly and objectively look into it, provide guidance; or take any additional actions that may be appropriate.

## MATERIALS THAT MATTER™

Given II-VI's commitment to openly communicating, when we do ask a question or raise a concern, we can do so without the fear of retaliation.

Violating II-VI values and policies may result in discipline up to and including termination. II-VI may also discipline those who permit or otherwise participate in violating II-VI values and policies as well as those who fail to report violations or withhold relevant information concerning a violation. II-VI can learn and improve only when we communicate and ask questions, therefore, retaliation against those raising concerns or asking questions may result in discipline, to include termination.