

---

---

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, DC 20549

---

FORM 8-K

---

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of report (Date of earliest event reported): March 23, 2017

---

**Ciena Corporation**

(Exact Name of Registrant as Specified in Its Charter)

---

**Delaware**

(State or Other Jurisdiction of Incorporation)

**001-36250**

(Commission File Number)

**23-2725311**

(IRS Employer Identification No.)

**7035 Ridge Road, Hanover, MD**

(Address of Principal Executive Offices)

**21076**

(Zip Code)

**(410) 694-5700**

(Registrant's Telephone Number, Including Area Code)

**Not Applicable**

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
- 
-

**ITEM 5.02 – DEPARTURE OF DIRECTORS OR CERTAIN OFFICERS; ELECTION OF DIRECTORS; APPOINTMENT OF CERTAIN OFFICERS; COMPENSATORY ARRANGMENTS OF CERTAIN OFFICERS**

On March 23, 2017, the stockholders of Ciena Corporation (the “Company”) approved the Ciena Corporation 2017 Omnibus Incentive Plan (the “2017 Plan”) at the Company’s Annual Meeting of Stockholders. The 2017 Plan became effective upon such stockholder approval. A description of the 2017 Plan is set forth in the Company’s proxy statement, dated February 8, 2017, for its 2017 Annual Meeting of Stockholders, in the section entitled “Proposal No. 2 — Approval of Ciena’s 2017 Omnibus Incentive Plan,” which is incorporated herein by reference. This description is qualified in its entirety by reference to the copy of the 2017 Plan attached hereto as Exhibit 10.1, which is incorporated herein by reference. The forms of award agreements to be used in connection with awards of restricted stock units under the 2017 Plan are attached hereto as exhibits 10.2, 10.3 and 10.4 and are incorporated by reference herein.

**ITEM 9.01 - FINANCIAL STATEMENTS AND EXHIBITS**

(d) The following exhibits are being filed herewith:

<u>Exhibit Number</u>	<u>Description of Document</u>
10.1	Ciena Corporation 2017 Omnibus Incentive Plan
10.2	Form of Employee Restricted Stock Unit Agreement for Ciena Corporation 2017 Omnibus Incentive Plan
10.3	Form of Director Restricted Stock Unit Agreement for Ciena Corporation 2017 Omnibus Incentive Plan
10.4	Form of Performance Stock Unit Agreement for Ciena Corporation 2017 Omnibus Incentive Plan

## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

### **Ciena Corporation**

Date: March 29, 2017

By: /s/ Gary B. Smith

Gary B. Smith

President and Chief Executive Officer

# CIENA CORPORATION

## 2017 OMNIBUS INCENTIVE PLAN

(Effective March 23, 2017)

### 1 PURPOSE

The purpose of the Ciena Corporation 2017 Omnibus Incentive Plan (the “*Plan*”) is to promote the long-term financial success of the Company, by (i) enabling the Company and its Affiliates to attract and retain highly qualified officers, directors, key employees and other personnel, and (ii) to motivate and incentivize such persons to provide the highest level of performance on behalf of the Company, by providing an opportunity to acquire or increase an ownership interest in the Company.

The Company previously adopted the Ciena Corporation 2008 Omnibus Incentive Plan (the “*2008 Plan*”), which provided for the grant of similar Awards. Following the Effective Date of this Plan, the 2008 Plan will no longer be used for future grants of Awards and any shares available remaining thereunder will be included within the Authorized Share Amount in accordance with Section 4.1. All outstanding awards under the 2008 Plan shall continue in full force and effect, subject to their original terms.

### 2 DEFINITIONS

For purposes of interpreting the Plan and related documents (including Award Agreements), the following definitions shall apply:

2.1 “*Affiliate*” means, with respect to the Company, any company or other trade or business that controls, is controlled by, or is under common control with the Company within the meaning of Rule 405 of Regulation C under the Securities Act, including, without limitation, any Subsidiary. For purposes of granting Options or Stock Appreciation Rights, an entity may not be considered an Affiliate unless the Company holds a “*controlling interest*” in such entity, where the term “*controlling interest*” has the same meaning as provided in Treasury Regulation Section 1.414(c)-2(b)(2)(i), provided that the language “*at least 50 percent*” is used instead of “*at least 80 percent*” and, provided further, that where granting of Options or Stock Appreciation Rights is based upon a legitimate business criteria, the language “*at least 20 percent*” is used instead of “*at least 80 percent*” each place it appears in Treasury Regulation Section 1.414(c)-2(b)(2)(i).

2.2 “*Applicable Law*” means the legal requirements relating to the Plan and the Awards under (a) applicable provisions of the Code, the Securities Act, the Exchange Act, any rules or regulations thereunder, and any other laws, rules, regulations, and government orders of any jurisdiction applicable to the Company or its Affiliates, (b) applicable provisions of the corporate, securities, tax, and other laws, rules, regulations, and government orders of any jurisdiction applicable to Awards granted to residents thereof, and (c) the rules of any stock exchange on which the Stock is listed or publicly traded.

2.3 “*Authorized Share Amount*” shall have the meaning set forth in Section 4.1.

2.4 “*Award*” means a grant of an Option, Stock Appreciation Right, Unrestricted Stock, Restricted Stock, Restricted Stock Unit (including deferred stock units), Performance Stock, Performance Stock Unit, Performance Award or Cash Incentive Award under the Plan.

2.5 “*Award Agreement*” means an agreement between the Company and a Grantee, in written or electronic form, which evidences and sets out the terms and conditions of an Award.

2.6 “*Benefit Arrangement*” shall have the meaning set forth in Section 13.

2.7 “*Board*” means the Board of Directors of the Company.

2.8 “*Cash Incentive Award*” means an Award made subject to attainment of performance goals (as described in Section 12) over the applicable Performance Period (the Company’s fiscal year, unless otherwise specified by the Committee).

2.9 “*Cause*” means, as determined by the Committee and unless otherwise provided in an applicable agreement with the Company or an Affiliate, (i) gross negligence or willful misconduct in connection with the performance of duties; (ii) plea of a felony or conviction of a criminal offense (other than minor traffic offenses); (iii) material violation of the Company’s Code of Business Conduct and Ethics; or (iv) material breach of any term of any employment, consulting or other services, confidentiality, intellectual property or non-competition agreements, if any, between the Service Provider and the Company or an Affiliate.

2.10 “*Code*” means the Internal Revenue Code of 1986, as now in effect or as hereafter amended. References in the Plan to any Code Section shall be deemed to include, as applicable, regulations, and guidance promulgated under such Code Section.

2.11 “*Committee*” means the Compensation Committee of the Board, or such other committee of, and designated from time to time by resolution of, the Board, which shall be constituted as provided in Section 3.2 (or, if no Committee has been so designated, the Board).

2.12 “*Company*” means Ciena Corporation and any successor thereto.

2.13 “*Corporate Transaction*” means, subject to Section 16.9: (i) any person or group of persons (as defined in Section 13(d) and 14(d) of the Exchange Act) together with its affiliates, excluding employee benefit plans of the Company, is or becomes, directly or indirectly, the “*beneficial owner*” (as defined in Rule 13d-3 of the Exchange Act) of securities of the Company representing 50% or more of the combined voting power of the Company’s then outstanding securities; (ii) (A) the dissolution or liquidation of the Company or (B) a merger, consolidation, or reorganization of the Company with one or more other entities in which the Company is not the surviving entity and the stockholders of the Company before such transaction do not retain, directly or indirectly, 50% or more of the combined voting power of such surviving entity; (iii) a sale, exchange, or transfer of all or substantially all of the assets of the Company to another person or entity; or (iv) any transaction (including without limitation a merger or reorganization in which the Company is the surviving entity) which results in any person or entity owning 50% or more of the combined voting power of all classes of stock of the Company.

The Board shall have full and final authority, in its sole discretion, to determine conclusively whether a Corporate Transaction has occurred pursuant to the above definition, the date of the occurrence of such Corporate Transaction, and any incidental matters relating thereto.

2.14 “*Covered Employee*” means a Grantee who is a covered employee within the meaning of Section 162(m)(3) of the Code.

2.15 “*Disability*” means the Grantee is unable to perform each of the essential duties of such Grantee’s position by reason of a medically determinable physical or mental impairment which is potentially permanent in character or which can be expected to last for a continuous period of not less than 12 months; provided, however, that, with respect to rules regarding expiration of an Incentive Stock Option following termination of the Grantee’s Service, Disability shall mean the Grantee is unable to engage in any substantial gainful activity by reason of a medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months.

2.16 “*Dividend Equivalent Right*” means a right entitling a Grantee to receive, or to receive credits for the future payment of, cash, Stock, other Awards, or other property equal in value to dividends declared or paid with respect to a number of shares of Stock specified in an Award.

2.17 “*Effective Date*” means March 23, 2017, the date the Plan was approved by the Company’s stockholders, with the Plan having been approved by the Board on December 7, 2016.

2.18 “*Exchange Act*” means the Securities Exchange Act of 1934, as now in effect or as hereafter amended.

2.19 “*Executive Officers*” means “executive officers” as defined under Rule 3b-7 of the Exchange Act.

2.20 “*Fair Market Value*” means the value of a share of Stock, determined as follows: if on the Grant Date or other determination date the Stock is listed on an established national or regional stock exchange, or is publicly traded on an established securities market, the Fair Market Value of a share of Stock shall be the closing price of the Stock on such exchange or in such market (if there is more than one such exchange or market the Board shall determine the appropriate exchange or market) on the Grant Date or such other determination date (or if there is no such reported closing price, the Fair Market Value shall be the mean between the highest bid and lowest asked prices or between the high and low sale prices on such trading day) or, if no sale of Stock is reported for such trading day, on the next preceding day on which any sale shall have been reported. If the Stock is not listed on such an exchange or traded on such a market, Fair Market Value shall be the value of the Stock as determined by the Board by the reasonable application of a reasonable valuation method, in a manner consistent with Section 409A of the Code.

2.21 “*Family Member*” means a person who is a spouse, former spouse, child, stepchild, grandchild, parent, stepparent, grandparent, niece, nephew, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother, sister, brother-in-law, or sister-in-law, including adoptive relationships, of the Grantee, any person sharing the Grantee’s household (other than a tenant or employee), a trust in which any one or more of these persons and/or the Grantee have more than 50% of the beneficial interest, a foundation in which any one or more of these persons and/or the Grantee control the management of assets, and any other entity in which one or more of these persons or the Grantee own more than 50% of the voting interests.

2.22 “*Grant Date*” means, as determined by the Committee, the latest to occur of (i) the date as of which the Committee (or the Board, as applicable) approves an Award, (ii) the date on which the recipient of an Award first becomes eligible to receive an Award under Section 6, or (iii) such other date as may be specified by the Committee.

2.23 “*Grantee*” means a person who receives or holds an Award under the Plan.

2.24 “*Incentive Stock Option*” means an “*incentive stock option*” within the meaning of Section 422 of the Code.

2.25 “*Non-qualified Stock Option*” means an Option that is not an Incentive Stock Option.

2.26 “*Option*” means an option to purchase one or more shares of Stock pursuant to the Plan.

2.27 “*Option Price*” means the exercise price for each share of Stock subject to an Option.

2.28 “*Other Agreement*” shall have the meaning set forth in Section 13.

2.29 “*Outside Director*” means a member of the Board who is not an officer or employee of the Company.

2.30 “*Performance Award*” means an Award made subject to the attainment of performance-based conditions over a Performance Period of up to ten years.

2.31 “*Performance-Based Award*” means Performance Stock, Performance Stock Unit, or Cash Incentive Award that is intended to satisfy the requirements of Section 162(m) of the Code for certain performance-based compensation.

2.32 “*Performance-Based Compensation*” means Performance-Based Awards paid to Covered Employees. Notwithstanding the foregoing, nothing in this Plan shall be construed to mean that an Award which does not satisfy the requirements for performance-based compensation under Section 162(m) of the Code does not constitute performance-based compensation for other purposes, including the purposes of Section 409A of the Code.

2.33 “*Performance-Based Conditions*” means the goals underlying a Performance-Based Award as described in Section 12 and that are approved by the Company’s stockholders pursuant to this Plan in order to qualify Performance-Based Awards as Performance-Based Compensation.

2.34 “*Performance Period*” means the period of time during which the performance goals must be met in order to determine the degree of payout and/or vesting with respect to a Performance Award.

2.35 “*Performance Stock*” means an Award of Restricted Stock denominated in shares of Stock, which is subject to payout and/or vesting based on the extent to which the applicable performance goals are achieved during the applicable Performance Period.

2.36 “*Performance Stock Unit*” means an Award of Restricted Stock denominated in units each representing the equivalent of one share of Stock, which is subject to payout and/or vesting based on the extent to which the applicable performance goals are achieved during the applicable Performance Period.

2.37 “*Plan*” means this Ciena Corporation 2017 Omnibus Incentive Plan, as it may be amended from time to time.

2.38 “*Prior Plans*” means the 2008 Omnibus Incentive Plan, Cyan, Inc. 2013 Equity Incentive Plan, Cyan, Inc. 2006 Stock Plan, 2000 Equity Incentive Compensation Plan, and World Wide Packets, Inc. 2000 Stock Incentive Plan.

2.39 “*Purchase Price*” means the purchase price for each share of Stock pursuant to a grant of Restricted Stock or Unrestricted Stock.

2.40 “*Restricted Period*” shall have the meaning set forth in Section 9.2.

2.41 “*Restricted Stock*” means an Award of shares of Stock.

2.42 “*Restricted Stock Unit*” means an Award of Restricted Stock, denominated in units each representing the equivalent of one share of Stock.

2.43 “*SAR Exercise Price*” means the per share exercise price of Stock subject to a SAR granted to a Grantee under Section 8.

2.44 “*Securities Act*” means the Securities Act of 1933, as now in effect or as hereafter amended.

2.45 “*Service*” means service as a Service Provider to the Company or an Affiliate. Unless otherwise stated in the applicable Award Agreement, a Grantee’s change in position or duties shall not result in interrupted or terminated Service, so long as such Grantee continues to be a Service Provider to the Company or an Affiliate. Subject to the preceding sentence, whether a termination of Service shall have occurred for purposes of the Plan shall be determined by the Board or the Committee, which determination shall be final, binding and conclusive. If a Service Provider’s employment or other Service relationship is with an Affiliate and the applicable entity ceases to be an Affiliate, a termination of Service shall be deemed to have occurred when such entity ceases to be an Affiliate unless the Service Provider transfers his or her employment or other Service relationship to the Company or any other Affiliate.

2.46 “*Service Provider*” means an employee, officer or director of the Company or an Affiliate, or a consultant or adviser (who is a natural person) currently providing services to the Company or an Affiliate.

2.47 “*Stock*” means the common stock, par value \$0.01 per share, of the Company, or any security into which shares of Stock may be changed for or for which shares of Stock may be exchanged as provided in Section 15.1.

2.48 “*Stock Appreciation Right*” or “*SAR*” means a right granted to a Grantee under Section 8.

2.49 “*Subsidiary*” means any “*subsidiary corporation*” of the Company within the meaning of Section 424(f) of the Code.

2.50 “*Substitute Awards*” means Awards granted in assumption of, or in substitution for, outstanding awards previously granted by a company or other entity acquired by the Company or any Affiliate or with which the Company or any Affiliate combines.

2.51 “*Ten Percent Stockholder*” means an individual who owns more than 10% of the total combined voting power of all classes of voting stock of the Company, its parent, or any of its Subsidiaries. In determining stock ownership, the attribution rules of Section 424(d) of the Code shall be applied.

2.52 “*Unrestricted Stock*” means an Award pursuant to Section 10.

### **3 ADMINISTRATION OF THE PLAN**

#### **3.1 Board.**

The Board shall have such powers and authorities related to the administration of the Plan as are consistent with the Company’s certificate of incorporation and by-laws and Applicable Law. Without limiting the generality of the foregoing, the Committee shall have full power and authority to take all actions and to make all determinations required or provided for under the Plan, any Award, or any Award Agreement and shall have full power and authority to take all such other actions and make all such other determinations not inconsistent with the specific terms and provisions of the Plan that the Committee deems to be necessary or appropriate to the administration of the Plan, any Award, or any Award Agreement. All such actions and determinations shall be by the affirmative vote of a majority of the members of the Committee present at a meeting or by unanimous consent of the Committee executed in writing or evidenced by electronic transmission in accordance with the Company’s certificate of incorporation and by-laws and Applicable Law. The interpretation and construction by the Committee of any provision of the Plan, any Award, or any Award Agreement shall be final, binding and conclusive.

#### **3.2 Committee.**

(a) The Board from time to time may delegate to the Committee such powers and authorities related to the administration and implementation of the Plan, as set forth in Section 3.1 above and other applicable provisions, as the Board shall determine, consistent with the certificate of incorporation and by-laws of the Company and Applicable Law.

(b) Except as provided in Section 3.2(c) and except as the Board may otherwise determine, the Committee, if any, appointed by the Board to administer the Plan shall consist of two or more Outside Directors of the Company who (i) qualify as “outside directors” within the meaning of Section 162(m) of the Code, (ii) meet such other requirements as may be established from time to time by the Securities and Exchange Commission for plans intended to qualify for exemption under Rule 16b-3 (or its successor) under the Exchange Act, and (iii) comply with the independence requirements of the stock exchange on which the Stock is listed. Awards to Outside Directors and Executive Officers shall be administered only by the Committee and may not be subject to discretion of or determination by the Company’s management.

(c) The Board may also appoint one or more separate Committees of the Board, each composed of one or more directors of the Company who need not be Outside Directors, who may administer the Plan with respect to



employees or other Service Providers who are not Executive Officers or directors of the Company, may grant Awards under the Plan to such employees or other Service Providers, and may determine all terms of such Awards.

(d) In the event that the Plan, any Award, or any Award Agreement entered into hereunder provides for any action to be taken by or determination to be made by the Board, such action may be taken or such determination may be made by the Committee if the power and authority to do so has been delegated to the Committee by the Board as provided for in this Section 3.2. Unless otherwise expressly determined by the Board, any such action or determination by the Committee shall be final, binding, and conclusive. To the extent permitted by Applicable Law, the Committee may delegate its authority under the Plan to a member of the Board or such other person, and any action undertaken by any such member of the Board or other person in accordance with the Committee's delegation of authority will have the same force and effect as if undertaken directly by the Committee, and any reference in the Plan, an Award, or an Award Agreement to the Committee will, to the extent consistent with the terms and limitations of such delegation, be deemed to include a reference to each such member of the Board or other person.

### 3.3 Terms of Awards.

Subject to the other terms and conditions of the Plan, the Committee shall have full and final authority to:

- (a) designate Grantees,
- (b) determine the type or types of Awards to be made to a Grantee,
- (c) determine the number of shares of Stock to be subject to an Award or to which an Award relates,

(d) establish the terms and conditions of each Award (including, but not limited to, the Option Price, the SAR Exercise Price, the Purchase Price, the nature and duration of any restriction or condition (or provision for lapse thereof) relating to the vesting, exercise, transfer, or forfeiture of an Award or the shares of Stock subject thereto, the treatment of an Award in the event of a Corporate Transaction (subject to applicable agreements), and any terms or conditions that may be necessary to qualify Options as Incentive Stock Options),

- (e) prescribe the form of each Award Agreement evidencing an Award,

(f) except as otherwise provided in Section 3.5, amend, modify, or supplement the terms of any outstanding Award, which authority specifically includes the authority, in order to effectuate the purposes of the Plan but without amending the Plan, to make or modify Awards to eligible individuals who are foreign nationals or are individuals who are employed outside the United States to recognize differences in local law, tax policy, or custom; provided that, notwithstanding the foregoing, no amendment, modification, or supplement of any Award shall, without the consent of the Grantee, impair the Grantee's rights under such Award, and

- (g) make Substitute Awards.

### 3.4 Forfeiture; Recoupment.

The Company may retain the right in an Award Agreement to cause a forfeiture of the gain realized by a Grantee with respect to an Award thereunder on account of actions taken by, or failed to be taken by, the Grantee in violation or breach of or in conflict with any employment agreement, non-competition agreement, any agreement prohibiting solicitation of employees or clients of the Company or any Affiliate thereof or any confidentiality obligation with respect to the Company or any Affiliate thereof or otherwise in competition with the Company or any Affiliate thereof, to the extent specified in such Award Agreement applicable to the Grantee. In addition, the Company may terminate and cause the forfeiture of an Award if the Grantee is an employee of the Company or an Affiliate thereof and is terminated for Cause as defined in the applicable Award Agreement or the Plan, as applicable.

Furthermore, if the Company is required to prepare an accounting restatement due to the material noncompliance of the Company, as a result of misconduct, with any financial reporting requirement under the securities laws, the individuals subject to automatic forfeiture under Section 304 of the Sarbanes-Oxley Act of 2002 and any Grantee who knowingly engaged in the misconduct, was grossly negligent in engaging in the misconduct, knowingly failed to prevent the misconduct, or was grossly negligent in failing to prevent the misconduct, shall reimburse the Company the amount of any payment in settlement of an Award earned or accrued during the 12-month period following the first public issuance or filing with the United States Securities and Exchange Commission (whichever first occurred) of the financial document that contained such material noncompliance.

Any Award granted pursuant to the Plan shall be subject to mandatory repayment by the Grantee to the Company (i) to the extent set forth in this Plan or an Award Agreement or (ii) to the extent the Grantee is, or in the future becomes, subject to (A) any Company or Affiliate “clawback” or recoupment policy that is adopted by the Company, including to comply with the requirements of Applicable Law, or (B) any Applicable Law that imposes mandatory recoupment, under circumstances set forth in such Applicable Law.

### **3.5 No Repricing.**

Notwithstanding anything in this Plan to the contrary, no amendment or modification may be made to an outstanding Option or SAR, including, without limitation, by replacement, exchange, or cancellation of Options or SARs for cash or another Award or award type, that would be treated as a repricing under the rules of the stock exchange on which the Stock is listed, in each case, without the approval of the stockholders of the Company, provided, that, appropriate adjustments may be made to outstanding Options and SARs pursuant to Section 16 or Section 5.2 and may be made to make changes to achieve compliance with Applicable Law, including Section 409A of the Code.

### **3.6 Deferral Arrangement.**

The Committee may permit or require the deferral of any Award payment into a deferred compensation arrangement, subject to such rules and procedures as it may establish, which may include provisions for the payment or crediting of interest or Dividend Equivalent Rights and, in connection therewith, provisions for converting such credits into deferred Stock equivalents and for restricting deferrals to comply with hardship distribution rules affecting tax-qualified retirement plans subject to Section 401(k)(2)(B)(IV) of the Code. Any such deferrals shall be made in a manner that complies with Section 409A of the Code.

### **3.7 No Liability.**

No member of the Board or the Committee shall be liable for any action or determination made in good faith with respect to the Plan, any Award, or any Award Agreement.

### **3.8 Share Issuance/Book-Entry.**

Notwithstanding any provision of this Plan to the contrary, the issuance of the Stock under the Plan may be evidenced in such a manner as the Board, in its discretion, deems appropriate, including, without limitation, book-entry registration or issuance of one or more Stock certificates.

## **4 STOCK SUBJECT TO THE PLAN**

### **4.1 Number of Shares Reserved for Awards.**

Subject to such additional shares of Stock as shall be available for issuance under the Plan pursuant to Section 4.2, and subject to adjustment pursuant to Section 15, the maximum number of shares of Stock reserved for issuance under the Plan shall be equal to the sum of (a) eight million, nine hundred thousand (8,900,000) shares of Stock, plus (b) the number of shares of Stock available for future awards under the 2008 Plan as of the Effective Date, plus (c) the number of shares of Stock related to awards outstanding under the Prior Plans as of the Effective Date that thereafter terminate by expiration or forfeiture, cancellation, or otherwise without the issuance of such shares of Stock (collectively, and in the aggregate, the “*Authorized Share Amount*”), all of which may be granted as Incentive Stock

Options. Stock issued or to be issued under the Plan shall be authorized but unissued shares, or to the extent permitted by Applicable Law, issued shares that have been reacquired by the Company.

#### **4.2 Adjustments in Authorized Shares.**

The Board shall have the right to substitute or assume Awards in connection with mergers, reorganizations, separations, or other transactions to which Section 424(a) of the Code applies. The Authorized Share Amount shall be increased by the corresponding number of Awards assumed and, in the case of a substitution, by the net increase in the number of shares of Stock subject to Awards before and after the substitution.

#### **4.3 Share Usage.**

(a) Shares of Stock covered by an Award shall be counted as used as of the Grant Date. Any shares of Stock that are subject to Awards of Options or SARs will be counted against the Authorized Share Amount as one share for every one share subject to an Award of Options or SARs. With respect to SARs, the number of shares of Stock subject to an award of SARs will be counted against the Authorized Share Amount regardless of the number of shares actually issued to settle the SAR upon exercise. Any shares of Stock that are subject to Awards other than Options or Stock Appreciation Rights shall be counted against the Authorized Share Amount as 1.31 shares for every one share granted. A number of shares of Stock at least equal to the target number of shares issuable under Performance Stock or Performance Stock Units shall be counted against the Authorized Share Amount as of the Grant Date, but such number shall be adjusted to equal the actual number of shares issued upon settlement of the Performance Stock or Performance Stock Units to the extent different from such target number of shares.

(b) If any shares of Stock covered by an Award granted under the Plan are not purchased or are forfeited or expire, or if an Award otherwise terminates without delivery of any Stock subject thereto, or is settled in cash in lieu of shares, then the number of shares of Stock counted against the Authorized Share Amount with respect to such Award shall, to the extent of any such forfeiture, termination, expiration, or settlement, again be available for making Awards under the Plan in the same amount as such shares were counted against the applicable Authorized Share Amount at the time of grant of such Awards, provided that any shares covered by an Award granted under a Prior Plan will again be available for making Awards under the Plan in the same amount as such shares were counted against the limits set forth in the applicable Prior Plan. The number of shares of Stock available for issuance under the Plan shall not be increased by (a) any shares of Stock tendered, withheld, or surrendered in connection with the purchase of shares of Stock upon exercise of an Option as described in Section 11.2, (b) purchased by the Company with proceeds from Option exercises, or (c) any shares of Stock deducted or delivered from an Award payment in connection with the Company's tax withholding obligations as described in Section 16.3.

### **5 TERM AND AMENDMENTS**

#### **5.1 Term.**

The Plan shall terminate automatically ten years after the Effective Date and may be terminated on any earlier date as provided in Section 5.2 or Section 15.3; provided, however, that Incentive Stock Options may not be granted under the Plan after the tenth anniversary of the date of the Board's adoption of the Plan.

#### **5.2 Amendment and Termination of the Plan.**

The Board may, at any time and from time to time, amend, suspend, or terminate the Plan; provided that, with respect to Awards theretofore granted under the Plan, no amendment, suspension, or termination of the Plan shall, without the consent of the Grantee, impair the rights or obligations under any such Award. An amendment shall be contingent on approval of the Company's stockholders to the extent stated by the Board or required by Applicable Law. In addition, an amendment will be contingent on approval of the Company's stockholders if the amendment would: (a) materially increase the benefits accruing to participants under the Plan, (b) materially increase the aggregate

number of shares of Stock that may be issued under the Plan, or (iii) materially modify the requirements as to eligibility for participation in the Plan. No Awards shall be made after termination of the Plan.

## **6 AWARD ELIGIBILITY AND LIMITATIONS**

### **6.1 Service Providers and Other Persons.**

Subject to this Section 6, Awards may be made under the Plan to any Service Provider, as the Committee shall determine and designate from time to time.

### **6.2 Successive Awards and Substitute Awards.**

A Service Provider may receive more than one Award, subject to such restrictions as are provided herein. Notwithstanding Sections 7.1 and 8.1, the Option Price of an Option or the SAR Exercise Price of a SAR that is a Substitute Award may be less than 100% of the Fair Market Value of a share of Stock on the original date of grant; provided that, the Option Price or SAR Exercise Price is determined in accordance with the principles of Section 424 of the Code.

### **6.3 Limitation on Cash and Shares of Stock Subject to Awards.**

During any time when the Company has a class of equity security registered under Section 12 of the Exchange Act:

(a) the maximum number of shares of Stock subject to Options or SARs that may be awarded under the Plan to a Grantee other than an Outside Director is 1,000,000 per fiscal year;

(b) the maximum number of shares of Stock (other than pursuant to an Option or SAR) that may be awarded under the Plan to a Grantee other than an Outside Director is 1,000,000 per fiscal year;

(c) the maximum amount of compensation that may be awarded to an Outside Director is \$500,000 per fiscal year, including the sum of (i) cash compensation paid and (ii) the Fair Market Value of shares of Stock awarded under the Plan; provided, however, that the foregoing limitation shall not apply to the extent that an Outside Director has been or becomes an employee of the Company during the fiscal year; and

(d) the maximum amount that may be earned by a Grantee as a Performance Award or other Cash Incentive Award in respect of a Performance Period of 12 months or less shall be \$5,000,000, and the maximum amount that may be earned by a Grantee as a Performance Award or other Cash Incentive Award in respect of a Performance Period of greater than 12 months shall be \$25,000,000.

The Board may make exceptions to the limitation set forth in Section 6.3(c) above for individual Outside Directors in extraordinary circumstances, such as serving on a special transaction or litigation committee of the Board, provided that the Outside Director receiving such additional compensation may not participate in the decision to make such exception and award such additional compensation.

The preceding limitations in this Section 6.3 are subject to adjustment as provided in Section 15.

### **6.4 Award Agreement.**

Each Award granted pursuant to the Plan shall be evidenced by an Award Agreement, in such form or forms as the Committee shall from time to time determine. Award Agreements under the Plan need not contain similar provisions but shall be consistent with the terms of the Plan. Each Award Agreement evidencing an Award of Options shall specify whether such Options are intended to be Non-qualified Stock Options or Incentive Stock Options, and in the absence of such specification such Options shall be deemed Non-qualified Stock Options. In the event of any inconsistency between the Plan and an Award Agreement, the provisions of the Plan shall control.

## **6.5 Minimum Vesting Requirements.**

Except as provided in Section 6.6, any Award (other than Substitute Awards) hereunder shall not vest in full before the one (1) year anniversary of the Grant Date. Notwithstanding the preceding, the Committee may provide for the earlier vesting, exercisability, and/or settlement under any such Award (a) in the event of the Grantee's death or Disability or (b) in connection with a Corporate Transaction.

## **6.6 Unrestricted Pool.**

Notwithstanding any provisions of the Plan to the contrary, Awards may be: (a) granted with vesting terms that do not comply with the requirements of Section 6.5; (b) granted with terms providing for the acceleration of vesting that do not comply with Section 6.5; and/or (c) modified after the Grant Date to include terms providing for the acceleration of vesting that do not comply with Section 6.5; provided that, in no event, shall the aggregate number of shares underlying Awards granted or modified as contemplated in this Section 6.6 exceed 5% of the Authorized Share Amount. The foregoing 5% limit shall be subject to adjustment consistent with the adjustment provisions of Section 15 and the share usage rules of Section 4.3.

## **6.7 Payment of Dividends.**

Notwithstanding any provisions of the Plan to the contrary, dividends declared or paid on shares of Stock underlying any Awards shall not vest or become payable unless and until the shares of Stock to which the dividends apply become vested and nonforfeitable.

# **7 TERMS AND CONDITIONS OF OPTIONS**

## **7.1 Option Price.**

The Option Price of each Option shall be fixed by the Committee and stated in the Award Agreement evidencing such Option. Except in the case of Substitute Awards, the Option Price of each Option shall be at least the Fair Market Value of a share of Stock on the Grant Date; provided, however, that in the event that a Grantee is a Ten Percent Stockholder, the Option Price of an Option granted to such Grantee that is intended to be an Incentive Stock Option shall be not less than 110% of the Fair Market Value of a share of Stock on the Grant Date. In no case shall the Option Price of any Option be less than the par value of a share of Stock.

## **7.2 Vesting and Exercisability.**

Subject to Sections 6.5, 7.3, and 15.3, each Option granted under the Plan shall become exercisable at such times and under such conditions as shall be determined by the Committee and stated in the Award Agreement; provided that no Option shall be granted to Grantees who are entitled to overtime under Applicable Law that will vest or be exercisable within a six-month period starting on the Grant Date. For purposes of this Section 7.2, fractional numbers of shares of Stock subject to an Option shall be rounded down to the next nearest whole number.

## **7.3 Term.**

Each Option granted under the Plan shall terminate, and all rights to purchase shares of Stock thereunder shall cease, upon the expiration of ten years from the Grant Date of such Option, or under such circumstances and on such date prior thereto as is set forth in the Plan or as may be fixed by the Committee and stated in the Award Agreement relating to such Option; provided, however, that in the event that the Grantee is a Ten Percent Stockholder, an Option granted to such Grantee that is intended to be an Incentive Stock Option shall not be exercisable after the expiration of five years from its Grant Date.

## **7.4 Termination of Service.**

Each Award Agreement shall set forth the extent to which the Grantee shall have the right to exercise the Option following termination of the Grantee's Service. Such provisions shall be determined in the sole discretion of the Committee, need not be uniform among all Options issued pursuant to the Plan, and may reflect distinctions based on the reasons for termination of Service.

#### **7.5 Limitations on Exercise of Options.**

Notwithstanding any provision of the Plan to the contrary, in no event may any Option be exercised, in whole or in part, after the occurrence of an event referred to in Section 15 which results in termination of the Option.

#### **7.6 Method of Exercise.**

Subject to the terms of Section 11 and Section 16.3, an Option that is exercisable may be exercised by the Grantee's delivery to the Company or its designee or agent on any business day, at the Company's principal office or the office of such designee or agent, a notice of exercise on the form specified by the Company and in accordance with any other procedures specified by the Committee. Such notice shall specify the number of shares of Stock with respect to which the Option is being exercised and shall be accompanied by payment in full of the Option Price of the shares of Stock for which the Option is being exercised plus the amount (if any) of federal and/or other taxes which the Company may, in its judgment, be required to withhold with respect to the exercise of the Option.

#### **7.7 Rights of Holders of Options.**

A Grantee or other individual holding or exercising an Option shall have none of the rights of a stockholder of the Company (for example, the right to receive cash or dividend payments or distributions attributable to the subject shares of Stock or to direct the voting of the subject shares of Stock) until the shares of Stock covered thereby are fully paid and issued to the Grantee or other individual. Except as provided in Section 15, no adjustment shall be made for dividends, distributions, or other rights with respect to any shares of Stock subject to an Option for which the record date is prior to the date of such issuance.

#### **7.8 Delivery of Stock Certificates.**

Promptly after the exercise of an Option by a Grantee and the payment in full of the Option Price, such Grantee shall be entitled to receive such evidence of such Grantee's ownership of the shares of Stock subject to such Option as shall be consistent with Section 3.8.

#### **7.9 Transferability of Options.**

Except as provided in Section 7.10, during the lifetime of a Grantee, only the Grantee (or, in the event of legal incapacity or incompetency, the Grantee's guardian or legal representative) may exercise an Option. Except as provided in Section 7.10, no Option shall be assignable or transferable by the Grantee to whom it is granted, other than by will or the laws of descent and distribution.

#### **7.10 Family Transfers.**

If authorized in the applicable Award Agreement or by the Board in its sole discretion, a Grantee may transfer, not for value, all or part of an Option which is not an Incentive Stock Option to any Family Member. For the purpose of this Section 7.10, a "not for value" transfer is a transfer which is (a) a gift, (b) a transfer under a domestic relations order in settlement of marital property rights, or (c) a transfer to an entity in which more than 50% of the voting interests are owned by Family Members (and/or the Grantee) in exchange for an interest in that entity. Following a transfer under this Section 7.10, any such Option shall continue to be subject to the same terms and conditions as were applicable immediately prior to transfer. Subsequent transfers of transferred Options are prohibited except to Family Members of the original Grantee in accordance with this Section 7.10 or by will or the laws of descent and distribution. The provisions of Section 7.4 relating to termination of Service shall continue to be applied with respect to the original

Grantee, following which the Option shall be exercisable by the transferee only to the extent, and for the periods specified, in Section 7.4.

#### **7.11 Limitations on Incentive Stock Options.**

An Option shall constitute an Incentive Stock Option only (i) if the Grantee of such Option is an employee of the Company or any Subsidiary of the Company; (ii) to the extent specifically provided in the related Award Agreement; and (iii) to the extent that the aggregate Fair Market Value (determined at the time the Option is granted) of the shares of Stock with respect to which all Incentive Stock Options held by such Grantee become exercisable for the first time during any calendar year (under the Plan and all other plans of the Company and its Affiliates) does not exceed \$100,000. This limitation shall be applied by taking Options into account in the order in which they were granted.

#### **7.12 Notice of Disqualifying Disposition.**

If any Grantee shall make any disposition of shares of Stock issued pursuant to the exercise of an Incentive Stock Option under the circumstances described in Section 421(b) of the Code (relating to certain disqualifying dispositions), such Grantee shall notify the Company of such disposition within ten days thereof.

### **8 TERMS AND CONDITIONS OF STOCK APPRECIATION RIGHTS**

#### **8.1 Right to Payment and SAR Exercise Price.**

A SAR shall confer on the Grantee to whom it is granted a right to receive, upon exercise thereof, the excess of (A) the Fair Market Value of a share of Stock on the date of exercise over (B) the SAR Exercise Price as determined by the Committee. The Award Agreement for a SAR shall specify the SAR Exercise Price, which shall be at least the Fair Market Value of a share of Stock on the Grant Date. SARs may be granted in tandem with all or part of an Option granted under the Plan or at any subsequent time during the term of such Option, in combination with all or part of any other Award, or without regard to any Option or other Award; provided that a SAR that is granted in tandem with all or part of an Option will have the same term, and expire at the same time, as the related Option; provided, further, that a SAR that is granted subsequent to the Grant Date of a related Option must have a SAR Exercise Price that is no less than the Fair Market Value of a share of Stock on the Grant Date of such SAR.

#### **8.2 Other Terms.**

Subject to Section 6.5, the Committee shall determine, on the Grant Date or thereafter, the time or times at which and the circumstances under which a SAR may be exercised in whole or in part (including based on achievement of performance goals and/or future Service requirements), the time or times at which SARs shall cease to be or become exercisable following termination of Service or upon other conditions, the method of exercise, the method of settlement, the form of consideration payable in settlement, the method by or forms in which Stock will be delivered or deemed to be delivered to Grantees, whether or not a SAR shall be granted in tandem or in combination with any other Award, and any other terms and conditions of any SAR; provided that no SARs granted to Grantees who are entitled to overtime under Applicable Law will vest or become exercisable within a six-month period starting on the Grant Date.

#### **8.3 Term.**

Each SAR granted under the Plan shall terminate, and all rights thereunder shall cease, upon the expiration of ten years from the Grant Date of such SAR, or under such circumstances and on such date prior thereto as is set forth in the Plan or as may be fixed by the Committee and stated in the Award Agreement relating to such SAR.

#### **8.4 Rights of Holders of SARs.**

A Grantee or other individual holding or exercising a SAR shall have none of the rights of a stockholder of the Company (for example, the right to receive cash or dividend payments or distributions attributable to the subject shares of Stock or to direct the voting of the subject shares of Stock) until the shares of Stock covered thereby are fully

paid and issued to the Grantee or other individual. Except as provided in Section 15, no adjustment shall be made for dividends, distributions, or other rights with respect to any shares of Stock subject to a SAR for which the record date is prior to the date of such issuance.

#### **8.5 Transferability of SARs.**

Except as provided in Section 8.6, during the lifetime of a Grantee, only the Grantee (or, in the event of legal incapacity or incompetency, the Grantee's guardian or legal representative) may exercise a SAR. Except as provided in Section 8.6, no SAR shall be assignable or transferable by the Grantee to whom it is granted, other than by will or the laws of descent and distribution.

#### **8.6 Family Transfers.**

If authorized in the applicable Award Agreement or by the Committee in its sole discretion, a Grantee may transfer, not for value, all or part of a SAR to any Family Member. For the purpose of this Section 8.6, a "not for value" transfer is a transfer which is (a) a gift, (b) a transfer under a domestic relations order in settlement of marital property rights, or (c) a transfer to an entity in which more than 50% of the voting interests are owned by Family Members (and/or the Grantee) in exchange for an interest in that entity. Following a transfer under this Section 8.6, any such SAR shall continue to be subject to the same terms and conditions as were applicable immediately prior to transfer. Subsequent transfers of transferred SARs are prohibited except to Family Members of the original Grantee in accordance with this Section 8.6 or by will or the laws of descent and distribution.

### **9 TERMS AND CONDITIONS OF RESTRICTED STOCK AND RESTRICTED STOCK UNITS**

#### **9.1 Grant of Restricted Stock or Restricted Stock Units.**

Awards of Restricted Stock or Restricted Stock Units may be made for consideration or no consideration (other than the par value of the shares of Stock, which will be deemed paid by Services already rendered or to be rendered).

#### **9.2 Restrictions.**

Subject to Section 6.5, at the time a grant of Restricted Stock or Restricted Stock Units is made, the Committee may, in its sole discretion, establish a period of time (a "*Restricted Period*") applicable to such Restricted Stock or Restricted Stock Units. Each Award of Restricted Stock or Restricted Stock Units may be subject to a different Restricted Period. The Committee may in its sole discretion, at the time a grant of Restricted Stock or Restricted Stock Units is made, prescribe restrictions in addition to or other than the expiration of the Restricted Period, including the satisfaction of corporate or individual performance objectives, which may be applicable to all or any portion of the Restricted Stock or Restricted Stock Units as described in Section 12. Neither Restricted Stock nor Restricted Stock Units may be sold, transferred, assigned, pledged, or otherwise encumbered or disposed of during the Restricted Period or prior to the satisfaction of any other restrictions prescribed by the Board with respect to such Restricted Stock or Restricted Stock Units.

#### **9.3 Restricted Stock Certificates.**

Subject to Section 3.8, the Company shall issue, in the name of each Grantee to whom Restricted Stock has been granted, stock certificates representing the total number of shares of Restricted Stock granted to the Grantee, as soon as reasonably practicable after the Grant Date. The Committee may provide in an Award Agreement that either (i) the Secretary of the Company shall hold such certificates for the Grantee's benefit until such time as the Restricted Stock is forfeited to the Company or the restrictions lapse, or (ii) such certificates shall be delivered to the Grantee; provided, however, that such certificates shall bear a legend or legends that comply with Applicable Law and makes appropriate reference to the restrictions imposed under the Plan and the Award Agreement.



#### **9.4 Rights of Holders of Restricted Stock.**

Subject to this Section 9.4, holders of Restricted Stock shall have the right to vote such shares of Restricted Stock and the right to receive any dividends declared or paid with respect to such shares of Restricted Stock. The Committee may provide that any dividends declared or paid on Restricted Stock must be reinvested in shares of Stock, which may or may not be subject to the same vesting conditions and restrictions applicable to such Restricted Stock. Notwithstanding the foregoing, dividends declared or paid on shares of Restricted Stock shall not vest or become payable unless and until the shares of Restricted Stock to which the dividends apply become vested and nonforfeitable. All stock dividend distributions, if any, received by a Grantee with respect to Restricted Stock as a result of any stock split, stock dividend, combination of shares, or other similar transaction shall be subject to the same vesting conditions and restrictions applicable to such underlying shares of Restricted Stock.

#### **9.5 Rights of Holders of Restricted Stock Units.**

##### **(a) Voting and Dividend Rights.**

Holders of Restricted Stock Units shall have no rights as stockholders of the Company. The Committee may provide in an Award Agreement evidencing a grant of Restricted Stock Units that the holder of such Restricted Stock Units shall be entitled to receive Dividend Equivalent Rights; provided that Dividend Equivalent Rights granted as a component of Restricted Stock Units shall not vest or become payable unless and until the Restricted Stock Units to which the Dividend Equivalent Rights correspond become vested and nonforfeitable.

##### **(b) Creditor's Rights.**

A holder of Restricted Stock Units shall have no rights other than those of a general creditor of the Company. Restricted Stock Units represent an unfunded and unsecured obligation of the Company, subject to the terms and conditions of the applicable Award Agreement.

#### **9.6 Termination of Service.**

Unless the Committee otherwise provides in an Award Agreement or in writing after the Award Agreement is issued, upon the termination of a Grantee's Service, any Restricted Stock or Restricted Stock Units held by such Grantee that have not vested, or with respect to which all applicable restrictions and conditions have not lapsed, shall immediately be deemed forfeited. Upon forfeiture of Restricted Stock or Restricted Stock Units, the Grantee shall have no further rights with respect to such Award, including but not limited to any right to vote Restricted Stock or any right to receive dividends or Dividend Equivalent Rights with respect to shares of Restricted Stock or Restricted Stock Units.

#### **9.7 Purchase of Restricted Stock and Shares Subject to Restricted Stock Units.**

The Grantee shall be required, to the extent required by Applicable Law, to purchase the Restricted Stock or shares of Stock subject to vested Restricted Stock Units from the Company at a Purchase Price equal to the greater of (a) the aggregate par value of the shares of Stock represented by such Restricted Stock or Restricted Stock Units or (b) the Purchase Price, if any, specified in the Award Agreement relating to such Restricted Stock or Restricted Stock Units. The Purchase Price shall be payable in a form described in Section 11 or, in the discretion of the Committee, in consideration for past or future Services rendered to the Company or an Affiliate.

#### **9.8 Delivery of Stock.**

Upon the expiration or termination of any Restricted Period and the satisfaction of any other conditions prescribed by the Board, the restrictions applicable to shares of Restricted Stock or Restricted Stock Units settled in shares of Stock shall lapse, and, unless otherwise provided in the Award Agreement, a book-entry or direct registration (including transaction advices) or a stock certificate evidencing ownership of such shares of Stock shall, consistent with Section 3.8, be issued, free of all such restrictions, to the Grantee or the Grantee's beneficiary or estate, as the case may be. Neither the Grantee, nor the Grantee's beneficiary or estate, shall have any further rights with regard to

a Restricted Stock Unit once the share of Stock represented by the Restricted Stock Unit has been issued in accordance with this [Section 9.8](#).

## **10 TERMS AND CONDITIONS OF UNRESTRICTED STOCK AWARDS**

The Committee may, in its sole discretion, grant (or sell at par value or such other higher Purchase Price determined by the Board) an Award to any Grantee pursuant to which such Grantee may receive shares of Stock free of any restrictions under the Plan (“*Unrestricted Stock*”), which Awards shall be deducted from the 5% limitation set forth in [Section 6.6](#). Unrestricted Stock Awards may be granted or sold as described in the preceding sentence in respect of past Service and other valid consideration, or in lieu of, or in addition to, any cash compensation due to such Grantee.

## **11 FORM OF PAYMENT FOR OPTIONS AND RESTRICTED STOCK**

### **11.1 General Rule.**

Payment of the Option Price for the shares of Stock purchased pursuant to the exercise of an Option or the Purchase Price for Restricted Stock or vested Restricted Stock Units shall be made in cash or in cash equivalents acceptable to the Company.

### **11.2 Surrender of Shares of Stock.**

To the extent provided in an Award Agreement, payment of the Option Price for shares of Stock purchased pursuant to the exercise of an Option or the Purchase Price for Restricted Stock or vested Restricted Stock Units may be made all or in part through the tender or attestation to the Company of shares of Stock, which shall be valued, for purposes of determining the extent to which the Option Price or Purchase Price has been paid thereby, at their Fair Market Value on the date of such tender or attestation.

### **11.3 Cashless Exercise.**

With respect to an Option only, to the extent permitted by Applicable Law and to the extent provided in an Award Agreement, payment of the Option Price for shares of Stock purchased pursuant to the exercise of an Option may be made all or in part by delivery (on a form acceptable to the Committee) of an irrevocable direction to a licensed securities broker acceptable to the Company to sell shares of Stock and to deliver all or part of the sales proceeds to the Company in payment of the Option Price and/or any withholding taxes described in [Section 16.3](#).

### **11.4 Other Forms of Payment.**

To the extent provided in an Award Agreement, payment of the Option Price for shares of Stock purchased pursuant to exercise of an Option or the Purchase Price for Restricted Stock or vested Restricted Stock Units may be made in any other form that is consistent with Applicable Law, including, without limitation, (a) with respect to Restricted Stock and vested Restricted Stock Units only, Service rendered or to be rendered by the Grantee thereof to the Company or an Affiliate and (b) with the consent of the Company, by withholding the number of shares of Stock that would otherwise vest or be issuable in an amount equal in value to the Option Price or Purchase Price and/or any withholding taxes described in [Section 16.3](#).

## **12 TERMS AND CONDITIONS OF PERFORMANCE STOCK, PERFORMANCE STOCK UNITS, PERFORMANCE AWARDS, AND CASH INCENTIVE AWARDS**

### **12.1 Grant of Performance Stock Units/Performance Stock.**

Subject to the terms and provisions of this Plan, the Committee, at any time and from time to time, may grant Performance Stock Units and/or Performance Stock to Grantees in such amounts and upon such terms as the Committee shall determine.

## **12.2 Value of Performance Stock Units/Performance Stock.**

Each Performance Stock Unit and share of Performance Stock shall have an initial cash value or an actual or target number of shares of Stock that is established by the Committee as of the Grant Date. The Committee shall set performance goals in its discretion which, depending on the extent to which they are met, will determine the value and/or number of Performance Stock Units/Performance Stock that will be earned by the Grantee.

## **12.3 Earning of Performance Stock Units/Performance Stock.**

Subject to the terms of this Plan, after completion of the applicable Performance Period, the Committee shall determine the extent to which the corresponding performance goals have been achieved, which will in turn determine the value and/or number of Performance Stock Units/Performance Stock earned by the Grantee.

## **12.4 Form and Timing of Payment of Performance Stock Units/Performance Stock.**

Payment of earned Performance Stock Units/Performance Stock shall be as determined by the Committee and as evidenced in the Award Agreement. Subject to the terms of this Plan, the Committee, in its sole discretion, may pay earned Performance Stock Units/Performance Stock in the form of cash, shares of Stock, or a combination thereof equal to the value of the earned Performance Stock Units/Performance Stock at the close of the applicable Performance Period, or as soon as practicable after the end of the Performance Period. Performance Stock Units/Performance Stock may be granted subject to any restrictions deemed appropriate by the Committee. The determination of the Committee with respect to the form of payout of such Awards shall be set forth in the Award Agreement pertaining to the grant of the Award. Notwithstanding any provision of the Plan to the contrary, unless specifically provided in the Award Agreement, the payment shall occur no later than the 15<sup>th</sup> day of the third month following the end of the calendar year in which the Performance Period ends.

## **12.5 Performance Awards or Cash Incentive Awards Granted to Designated Covered Employees.**

Subject to the terms and provisions of this Plan, the Committee, at any time and from time to time, may grant Performance-Based Awards. If and to the extent that the Committee determines that any Award to be granted to a Grantee who is designated by the Committee as likely to be a Covered Employee should qualify as Performance-Based Compensation, the grant, exercise, and/or settlement of such Award shall be contingent upon achievement of pre-established performance goals and other terms set forth in this Section 12.5.

### **(a) Performance Goals Generally.**

The performance goals for such Awards shall consist of one or more business criteria and a targeted level or levels of performance with respect to each of such criteria, as specified by the Committee consistent with this Section 12.5. Performance goals shall be objective and shall otherwise meet the requirements of Section 162(m) of the Code and regulations thereunder including the requirement that the level or levels of performance targeted by the Committee result in the achievement of performance goals being “substantially uncertain.” The Committee may determine that such Awards shall be granted, exercised, and/or settled upon achievement of any one performance goal or that two or more of the performance goals must be achieved as a condition to grant, exercise, and/or settlement of such Awards. Performance goals may differ for Awards granted to any one Grantee or to different Grantees. The performance goals upon which the payment or vesting of an Award to a Covered Employee that is intended to qualify as Performance-Based Compensation shall be limited to the Performance-Based Conditions set forth on Exhibit A.

Any Performance-Based Conditions may be used to measure the performance of the Company, a Subsidiary, and/or an Affiliate as a whole or any business unit, operating segment, or functional unit of the Company, Subsidiary, and/or an Affiliate or any combination thereof, as the Committee may deem appropriate, or any of the Performance-Based Conditions set forth on Exhibit A as compared to the performance of a group of comparator companies, or published or special index that the Committee, in its sole discretion, deems appropriate, or the Company may select Performance-Based Conditions set forth in Exhibit A as compared to various stock market indices. The Committee

also has the authority to provide for accelerated vesting of any Award based on the achievement of performance goals pursuant to the Performance Measures specified in this Section 12.

**(b) Timing For Establishing Performance Goals.**

Performance goals shall be established not later than the earlier of (i) 90 days after the beginning of any Performance Period applicable to such Awards and (ii) the day on which 25% of any Performance Period applicable to such Awards has expired, or at such other date as may be required or permitted for Performance-Based Compensation.

**(c) Settlement of Awards; Other Terms.**

Settlement of such Awards shall be in cash, Stock, other Awards, or other property, in the discretion of the Committee. The Committee may, in its sole discretion, reduce the amount of a settlement otherwise to be made in connection with such Awards. The Committee shall specify the circumstances in which such Performance Award or Cash Incentive Awards shall be paid or forfeited in the event of termination of Service by the Grantee prior to the end of a Performance Period or settlement of Awards.

**(d) Evaluation of Performance.**

Unless otherwise provided in an Award Agreement, in evaluating performance against a performance goal the Committee shall have the discretion to include or exclude any of the following events that occur during a Performance Period: (a) asset write-downs; (b) litigation or claims, judgments, or settlements; (c) the effect of changes in tax laws, accounting principles, or other laws or provisions affecting reported results; (d) any reorganization or restructuring events or programs; (e) extraordinary, non-core, non-operating, or non-recurring items and items that are either of an unusual nature or of a type that indicates infrequency of occurrence as a separate component of income from continuing operations; (f) acquisitions or divestitures; (g) foreign exchange gains and losses; (h) impact of shares of Stock purchased through share repurchase programs; (i) tax valuation allowance reversals; (j) impairment expense; and (k) environmental expense. To the extent such inclusions or exclusions affect Awards to Covered Employees, they shall be prescribed in a form that meets the requirements of Section 162(m) of the Code for deductibility.

**(e) Adjustment of Performance-Based Compensation.**

Awards that are intended to qualify as Performance-Based Compensation may not be adjusted upward. The Committee shall retain the discretion to adjust such Awards downward, either on a formula or discretionary basis, or any combination as the Committee determines.

**(f) Committee Discretion.**

In the event that the Committee determines that it is advisable to grant Awards that shall not qualify as Performance-Based Compensation, the Committee may make such grants without satisfying the requirements of Section 162(m) of the Code and may establish performance requirements based on Performance-Based Conditions other than those set forth in Exhibit A.

**12.6 Status of Awards under Code Section 162(m).**

It is the intent of the Company that Awards under Section 12.5 granted to persons who are designated by the Committee as likely to be Covered Employees shall, if so designated by the Committee, constitute qualified Performance-Based Compensation within the meaning of Section 162(m) of the Code. Accordingly, the terms of Section 12.5, including the definitions of Covered Employee and other terms used therein, shall be interpreted in a manner consistent with Section 162(m) of the Code. The foregoing notwithstanding, because the Committee cannot determine with certainty whether a given Grantee will be a Covered Employee with respect to a fiscal year that has not yet been completed, the term Covered Employee as used herein shall mean only a person designated by the Committee, at the time of grant of an Award, as likely to be a Covered Employee with respect to that fiscal year. If any provision of the Plan or any agreement relating to such Awards does not comply or is inconsistent with the

requirements of Section 162(m) of the Code, such provision shall be construed or deemed amended to the extent necessary to conform to such requirements.

### **13 PARACHUTE LIMITATIONS**

Notwithstanding any other provision of this Plan or of any other agreement, contract, or understanding heretofore or hereafter entered into by a Grantee with the Company or any Affiliate, except an agreement, contract, or understanding that expressly addresses Section 280G or Section 4999 of the Code (an “*Other Agreement*”), and notwithstanding any formal or informal plan or other arrangement for the direct or indirect provision of compensation to the Grantee (including groups or classes of Grantees or beneficiaries of which the Grantee is a member), whether or not such compensation is deferred, is in cash, or is in the form of a benefit to or for the Grantee (a “*Benefit Arrangement*”), if the Grantee is a “disqualified individual” (as defined in Section 280G(c) of the Code), any Award held by that Grantee and any right to receive any payment or other benefit under this Plan shall not become exercisable, vested, or payable (a) to the extent that such right to exercise, vesting, payment, or benefit, taking into account all other rights, payments, or benefits to or for the Grantee under this Plan, all Other Agreements, and all Benefit Arrangements, would cause any payment or benefit to the Grantee under this Plan to be considered a “parachute payment” within the meaning of Section 280G(b)(2) of the Code (a “*Parachute Payment*”) and (b) if, as a result of receiving a Parachute Payment, the aggregate after-tax amounts received by the Grantee from the Company under this Plan, all Other Agreements, and all Benefit Arrangements would be less than the maximum after-tax amount that could be received by the Grantee without causing any such payment or benefit to be considered a Parachute Payment. In the event that the receipt of any such right to exercise, vesting, payment, or benefit under this Plan, in conjunction with all other rights, payments, or benefits to or for the Grantee under any Other Agreement or any Benefit Arrangement would cause the Grantee to be considered to have received a Parachute Payment under this Plan that would have the effect of decreasing the after-tax amount received by the Grantee as described in clause (b) of the preceding sentence, then the Grantee shall have the right, in the Grantee’s sole discretion, to designate those rights, payments, or benefits under this Plan, any Other Agreements, and any Benefit Arrangements that should be reduced or eliminated so as to avoid having the payment or benefit to the Grantee under this Plan be deemed to be a Parachute Payment.

### **14 REQUIREMENTS OF LAW**

#### **14.1 General.**

The Company shall not be required to offer, sell, or issue any shares of Stock under any Award if the offer, sale, or issuance of such shares of Stock would constitute a violation by the Grantee, any other individual holding an Award, or the Company of any provision of the Company’s certificate of incorporation or by-laws or of Applicable Law, including, without limitation, any federal or state securities laws or regulations. If at any time the Company shall determine, in its discretion, that the listing, registration, or qualification of any shares of Stock subject to an Award upon any stock exchange or under any governmental regulatory body is necessary or desirable as a condition of, or in connection with, the offering, sale, issuance, or purchase of shares hereunder, no shares of Stock may be offered, sold, or issued to the Grantee or any other individual holding an Award unless such listing, registration, qualification shall have been effected or obtained free of any conditions not acceptable to the Company, and any delay caused thereby shall in no way affect the date of termination of the Award. Without limiting the generality of the foregoing, in connection with the Securities Act, upon the exercise of any Option or any SAR that may be settled in shares of Stock or the delivery of any shares of Stock underlying an Award, unless a registration statement under the Securities Act is in effect with respect to the shares of Stock covered by such Award, the Company shall not be required to offer, sell, or issue such shares of Stock unless the Board has received evidence satisfactory to it that the Grantee or any other individual holding an Award may acquire such shares pursuant to an exemption from registration under the Securities Act. Any determination by the Board in connection with the foregoing shall be final, binding, and conclusive. The Company may, but shall in no event be obligated to, register any securities covered hereby pursuant to the Securities Act. The Company shall not be obligated to take any affirmative action in order to cause the exercise of an Option or a SAR or the issuance of shares of Stock pursuant to the Plan to comply with Applicable Law. As to any jurisdiction that expressly imposes the requirement that an Option or SAR that may be settled in shares of Stock shall not be exercisable until the shares of Stock covered by such Option or SAR are registered or are exempt from registration,

the exercise of such Option or SAR under circumstances in which the laws of such jurisdiction apply shall be deemed conditioned upon the effectiveness of such registration or the availability of such an exemption.

#### **14.2 Rule 16b-3.**

During any time when the Company has a class of equity security registered under Section 12 of the Exchange Act, it is the intention of the Company that Awards pursuant to the Plan and the exercise of Options and SARs granted hereunder will qualify for the exemption provided by Rule 16b-3 under the Exchange Act. To the extent that any provision of the Plan or action by the Board does not comply with the requirements of Rule 16b-3, such provision or action shall be deemed inoperative to the extent permitted by Applicable Law and deemed advisable by the Board, and shall not affect the validity of the Plan. In the event that Rule 16b-3 is revised or replaced, the Board may exercise its discretion to modify this Plan in any respect necessary or advisable in its judgment to satisfy the requirements of, or to permit the Company to avail itself of the benefits of, the revised exemption or its replacement.

### **15 EFFECT OF CHANGES IN CAPITALIZATION**

#### **15.1 Changes in Stock.**

If the number of outstanding shares of Stock is increased or decreased or the shares of Stock are changed into or exchanged for a different number or kind of shares or other securities of the Company on account of any recapitalization, reclassification, stock split, reverse stock split, spin-off, combination of shares, exchange of shares, stock dividend or other distribution payable in capital stock, or other increase or decrease in such shares effected without receipt of consideration by the Company occurring after the Effective Date, the number and kinds of shares for which grants of Options and other Awards may be made under the Plan, including, without limitation, the Authorized Share Amount, the individual limits set forth in Section 6.3, and the 5% limit set forth in Section 6.6 shall be adjusted proportionately and accordingly by the Board. In addition, the number and kind of shares for which Awards are outstanding shall be adjusted proportionately and accordingly by the Board so that the proportionate interest of the Grantee immediately following such event shall, to the extent practicable, be the same as immediately before such event. Any such adjustment in outstanding Options or SARs shall not change the aggregate Option Price or SAR Exercise Price payable with respect to shares that are subject to the unexercised portion of an outstanding Option or SAR, as applicable, but shall include a corresponding proportionate adjustment in the Option Price or SAR Exercise Price per share. The conversion of any convertible securities of the Company shall not be treated as an increase in shares effected without receipt of consideration. Notwithstanding the foregoing, in the event of any distribution to the Company's stockholders of securities of any other entity or other assets (including an extraordinary dividend, but excluding a non-extraordinary dividend, of the Company) without receipt of consideration by the Company, the Board shall, in such manner as the Board deems appropriate, adjust (a) the number and kind of shares subject to outstanding Awards and/or (b) the aggregate and per share Option Price of outstanding Options and the aggregate and per share SAR Exercise Price of outstanding Stock Appreciation Rights to reflect such distribution.

#### **15.2 Reorganization in Which the Company Is the Surviving Entity Which does not Constitute a Corporate Transaction.**

Subject to Section 15.3, if the Company shall be the surviving entity in any reorganization, merger, or consolidation of the Company with one or more other entities which does not constitute a Corporate Transaction, any Award theretofore granted pursuant to the Plan shall pertain to and apply to the securities to which a holder of the number of shares of Stock subject to such Award would have been entitled immediately following such reorganization, merger, or consolidation, with a corresponding proportionate adjustment of the Option Price or SAR Exercise Price per share of any outstanding Option or SAR so that the aggregate Option Price or SAR Exercise Price thereafter shall be the same as the aggregate Option Price or SAR Exercise Price of the shares of Stock remaining subject to the Option or SAR immediately prior to such reorganization, merger, or consolidation. Subject to any contrary language in an Award Agreement evidencing an Award, any restrictions applicable to such Award shall apply as well to any replacement shares received by the Grantee as a result of the reorganization, merger, or consolidation. In addition, in the event of a transaction described in this Section 15.2, Performance-Based Awards shall be adjusted, including any adjustment to the Performance Measures applicable to such Awards, as deemed appropriate by the Board.

### 15.3 Corporate Transaction in which Awards are not Assumed.

Except as otherwise provided in an Award Agreement or as otherwise set forth in writing, upon the occurrence of a Corporate Transaction in which Awards are not being assumed, substituted, or continued:

(a) Except for Performance-Based Awards, all outstanding shares of Restricted Stock shall be deemed to have vested, and all Restricted Stock Units shall be deemed to have vested and the shares of Stock or cash subject thereto shall be delivered, immediately prior to the occurrence of such Corporate Transaction.

(b) Either or both of the following two actions shall be taken:

(i) fifteen days prior to the scheduled consummation of a Corporate Transaction, all Options and SARs outstanding hereunder shall become immediately exercisable and shall remain exercisable for a period of fifteen days, and/or

(ii) the Board may elect, in its sole discretion, to cancel any outstanding Awards of Options, Restricted Stock, Restricted Stock Units, and/or SARs and pay or deliver, or cause to be paid or delivered, to the holder thereof an amount in cash or securities having a value (as determined by the Board acting in good faith), in the case of Restricted Stock or Restricted Stock Units, equal to the formula or fixed price per share paid to holders of shares of Stock and, in the case of Options or SARs, equal to the product of the number of shares of Stock subject to the Option or SAR multiplied by the amount, if any, by which (I) the formula or fixed price per share paid to holders of shares of Stock pursuant to such transaction exceeds (II) the Option Price or SAR Exercise Price applicable to such Options or SARs.

With respect to the Company's establishment of an exercise window, (i) any exercise of an Option or SAR during such fifteen-day period shall be conditioned upon the consummation of the event and shall be effective only immediately before the consummation of the event, and (ii) upon consummation of any Corporate Transaction, the Plan and all outstanding but unexercised Options and SARs shall terminate. The Board shall send notice of an event that will result in such a termination to all individuals who hold Options and SARs not later than the time at which the Company gives notice thereof to its stockholders.

(c) For Performance-Based Awards, actual performance to date shall be determined as of a date reasonably proximal to the date of consummation of the Corporate Transaction as determined by the Board, in its sole discretion, and that level of performance thus determined shall be treated as achieved immediately prior to occurrence of the Corporate Transaction. For purposes of the preceding sentence, if, based on the discretion of the Board, actual performance is not determinable, the Performance-Based Awards shall be treated as though target performance has been achieved. After application of this Section 15.3(c), if any Awards arise from application of this Section 15.3, such Awards shall be settled under the applicable provision of Section 15.3(b).

### 15.4 Corporate Transaction in which Awards are Assumed.

Except as otherwise provided in an Award Agreement or as otherwise set forth in writing, upon the occurrence of a Corporate Transaction in which Awards are being assumed, substituted, or continued:

The Plan and Awards theretofore granted shall continue in the manner and under the terms so provided in the event of any Corporate Transaction to the extent that provision is made in writing in connection with such Corporate Transaction for the assumption or continuation of the Awards theretofore granted, or for the substitution for such Awards for new stock options, stock appreciation rights, restricted stock, restricted stock units, or dividend equivalent rights relating to the stock of a successor entity, or a parent or subsidiary thereof, with appropriate adjustments as to the number of shares (disregarding any consideration that is not common stock) and option and stock appreciation right exercise prices.

## 15.5 Adjustments.

Adjustments under this Section 15 related to shares of Stock or securities of the Company shall be made by the Board, whose determination in that respect shall be final, binding, and conclusive. No fractional shares or other securities shall be issued pursuant to any such adjustment, and any fractions resulting from any such adjustment shall be eliminated in each case by rounding downward to the nearest whole share. The Board may provide in the Award Agreements as of the Grant Date, or any time thereafter with the consent of the Grantee, for different provisions to apply to an Award in place of those described in Sections 15.1, 15.2, 15.3 and 15.4. This Section 15 does not limit the Company's ability to provide for alternative treatment of Awards outstanding under the Plan in the event of change of control events that are not Corporate Transactions.

## 15.6 No Limitations on Company.

The making of Awards pursuant to the Plan shall not affect or limit in any way the right or power of the Company to make adjustments, reclassifications, reorganizations, or changes of its capital or business structure or to merge, consolidate, dissolve, or liquidate, or to sell or transfer all or any part of its business or assets (including all or any part of the business or assets of any Subsidiary or other Affiliate) or to engage in any other transaction or activity.

## 16 GENERAL PROVISIONS

### 16.1 Disclaimer of Rights.

No provision in the Plan, any Award, or any Award Agreement shall be construed (a) to confer upon any individual the right to remain in the Service of the Company or an Affiliate, (b) to interfere in any way with any contractual or other right or authority of the Company or an Affiliate either to increase or decrease the compensation or other payments to any individual at any time, or (c) to terminate any Service or other relationship between any individual and the Company or an Affiliate. In addition, notwithstanding any provision of the Plan to the contrary, unless otherwise stated in the applicable Award Agreement, no Award granted under the Plan shall be affected by any change of duties or position of the Grantee, so long as such Grantee continues to provide Service. The obligation of the Company to pay any benefits pursuant to this Plan shall be interpreted as a contractual obligation to pay only those amounts described herein, in the manner and under the conditions prescribed herein. The Plan and Awards shall in no way be interpreted to require the Company to transfer any amounts to a third party trustee or otherwise hold any amounts in trust or escrow for payment to any Grantee or beneficiary under the terms of the Plan.

### 16.2 Nonexclusivity of the Plan.

Neither the adoption of the Plan nor the submission of the Plan to the stockholders of the Company for approval shall be construed as creating any limitations upon the right and authority of the Board to adopt such other incentive compensation arrangements (which arrangements may be applicable either generally to a class or classes of individuals or specifically to a particular individual or particular individuals) as the Board in its sole discretion determines desirable, including, without limitation, the granting of stock options otherwise than under the Plan.

### 16.3 Withholding Taxes.

The Company or an Affiliate, as the case may be, shall have the right to deduct from payments of any kind otherwise due to a Grantee any federal, state, or local taxes of any kind required by Applicable Law to be withheld with respect to the vesting of or other lapse of restrictions applicable to an Award or upon the issuance of any shares of Stock upon the exercise of an Option or otherwise pursuant to any Award.

At the time of such vesting, lapse, or exercise, the Grantee shall pay in cash to the Company or an Affiliate, as the case may be, any amount that the Company or an Affiliate may reasonably determine to be necessary to satisfy such withholding obligation. The Company may recover such payments in any form reasonably determined by the Committee, including, without limitation, withholding shares of Stock issuable to the Grantee, forfeiture of shares of Stock issuable to the Grantee, or recovery of the proceeds of a directed sale of shares of Stock issuable to the Grantee.



Subject to the prior approval of the Company or an Affiliate, which may be withheld by the Company or the Affiliate, as the case may be, in its sole discretion, the Grantee may elect to satisfy such minimum required statutory withholding tax obligations, in whole or in part, (a) by causing the Company or the Affiliate to withhold shares of Stock otherwise issuable to the Grantee or (b) by delivering to the Company or the Affiliate shares of Stock already owned by the Grantee. The shares of Stock so delivered or withheld shall have an aggregate Fair Market Value equal to such withholding obligations. The Fair Market Value of the shares of Stock used to satisfy such withholding obligation shall be determined by the Company or an Affiliate as of the date that the amount of tax to be withheld is to be determined. A Grantee who has made an election pursuant to this Section 16.3 may satisfy his or her withholding obligation only with shares of Stock that are not subject to any repurchase, forfeiture, unfulfilled vesting, or other similar requirements.

The Board has full discretion to allow Grantees to satisfy, in whole or in part, any additional income, employment, and/or other applicable taxes payable by them with respect to an Award by electing to have the Company or an Affiliate withhold from the shares of Stock otherwise issuable or deliverable to, or that would otherwise be retained by, a Grantee upon the grant, exercise, vesting, or settlement of the Award, as applicable, shares of Stock having an aggregate Fair Market Value that is greater than the applicable minimum required statutory withholding obligation (but such withholding may in no event be in excess of the maximum statutory withholding amount(s) in a Grantee's relevant tax jurisdictions).

#### **16.4 Captions.**

The use of captions in this Plan or any Award Agreement is for convenience of reference only and shall not affect the meaning of any provision of the Plan or such Award Agreement.

#### **16.5 Other Provisions.**

Each Award granted under the Plan may contain such other terms and conditions not inconsistent with the Plan as may be determined by the Board, in its sole discretion.

#### **16.6 Number and Gender.**

With respect to words used in this Plan, the singular form shall include the plural form, the masculine gender shall include the feminine gender, etc., as the context requires.

#### **16.7 Severability.**

If any provision of the Plan or any Award Agreement shall be determined to be illegal or unenforceable by any court of law in any jurisdiction, the remaining provisions hereof and thereof shall be severable and enforceable in accordance with their terms, and all provisions shall remain enforceable in any other jurisdiction.

#### **16.8 Governing Law.**

The validity and construction of this Plan and the instruments evidencing the Awards hereunder shall be governed by, and construed and interpreted in accordance with, the laws of the State of Delaware, other than any conflicts or choice of law rule or principle that might otherwise refer construction or interpretation of this Plan and the instruments evidencing the Awards granted hereunder to the substantive laws of any other jurisdiction.

#### **16.9 Section 409A of the Code.**

The Board intends to comply with Section 409A of the Code, or an exemption to Section 409A of the Code, with regard to Awards hereunder that constitute nonqualified deferred compensation within the meaning of Section 409A of the Code. To the extent that the Board determines that a Grantee would be subject to the additional 20% tax imposed on certain nonqualified deferred compensation plans pursuant to Section 409A of the Code as a result of any

provision of any Award granted under this Plan, such provision shall be deemed amended to the minimum extent necessary to avoid application of such additional tax. The nature of any such amendment shall be determined by the Board.

\* \* \*

To record adoption of the Plan by the Board as of December 7, 2016, and approval of the Plan by the Company's stockholders on March 23, 2017, the Company has caused its authorized officer to execute the Plan.

CIENA CORPORATION

By: /S/ David M. Rothenstein  
Name: David M. Rothenstein  
Title: Senior Vice President and General Counsel  
  
Date: March 23, 2017

## Exhibit A

### Performance-Based Conditions

The performance goals upon which the payment or vesting of an Award to a Covered Employee that is intended to qualify as Performance-Based Compensation shall be limited to the following Performance-Based Conditions, with or without adjustments (including pro forma adjustments):

(i) net earnings or net income;

(ii) operating earnings;

(iii) pretax earnings;

(iv) earnings (or loss) per share;

(v) share price, including growth measures and total stockholder return, and appreciation in and/or maintenance of the price of the shares of Stock or any publicly traded securities of the Company;

(vi) earnings (or losses), including earnings or losses before taxes, earnings (or losses) before interest and taxes, earnings (or losses) before interest, taxes, and depreciation, earnings (or losses) before interest, taxes, depreciation, and amortization, or earnings (or losses) before interest, taxes, depreciation, amortization, and stock-based compensation, and other similar adjustments to earnings (or losses);

(vii) bookings, orders, sales, or revenue, or growth in these measures, whether in general, by type of product or product line, by service, or by customer or type of customer;

(viii) net income (or loss) before or after taxes and before or after allocation of corporate overhead and bonus;

(ix) gross or operating margins;

(x) gross profit;

(xi) return measures, including return on assets, capital, investment, equity, sales, or revenue;

(xii) cash flow, including operating cash flow, free cash flow, cash flow return on equity, cash flow return on investment, and cash flow per share;

(xiii) productivity ratios;

(xiv) expense targets or improvement in or attainment of expense levels or cost reductions;

(xv) market share;

(xvi) financial ratios as provided in credit agreements of the Company and its subsidiaries;

(xvii) working capital targets;

(xviii) cash or equivalents at the end of the fiscal year or fiscal quarter;

- (xix) implementation, completion, or attainment of measurable objectives with respect to research, development, products, or projects, recruiting and maintaining personnel, and strategic or operational objectives;
- (xx) completion of acquisitions of businesses or companies;
- (xxi) completion of divestitures and asset sales; and
- (xxii) any combination of any of the foregoing business criteria.

**CIENA CORPORATION  
2017 OMNIBUS INCENTIVE PLAN**

**RESTRICTED STOCK UNIT AGREEMENT**

Ciena Corporation, a Delaware corporation, (the "Company"), hereby grants restricted stock units ("Restricted Stock Units") relating to shares of its common stock, \$0.01 par value (the "Stock"), to the individual named below as the Grantee, subject to the vesting and other terms and conditions set forth in this Restricted Stock Unit Agreement, including the attached terms and conditions any appendix attached hereto (with supplemental or distinct terms or notices applicable for non-U.S. employees) (together, the "Agreement"). This grant is subject to the terms and conditions set forth in (i) this Agreement, (ii) the Ciena Corporation 2017 Omnibus Incentive Plan (as it may be amended from time to time, the "Plan"), and (iii) the grant details for this award contained in your account with the Company's selected broker. Capitalized terms not defined in this Agreement are defined in the Plan and have the meaning set forth in the Plan.

Grant Date: \_\_\_\_\_

Grant Number: \_\_\_\_\_

Name of Grantee: \_\_\_\_\_

Grantee's Employee Identification Number: \_\_\_\_\_

Number of Restricted Stock Units Covered by Grant: \_\_\_\_\_

Vesting Schedule: \_\_\_\_\_

***By accepting this grant (whether by signing this Agreement or accepting the grant electronically via the website of the Company's selected broker), you agree to the terms and conditions in this Agreement and in the Plan and agree that the Plan will control in the event any provision of this Agreement should appear to be inconsistent unless otherwise stated herein.***

Grantee: \_\_\_\_\_  
(Signature)

Ciena Corporation: \_\_\_\_\_  
Name: David M. Rothenstein  
Title: Senior Vice President, General Counsel and Secretary

**CIENA CORPORATION**  
**2017 OMNIBUS INCENTIVE PLAN**

**RESTRICTED STOCK UNIT AGREEMENT**  
**TERMS AND CONDITIONS**

**Restricted Stock Unit Transferability**

This grant is an award of Restricted Stock Units in the number of Restricted Stock Units set forth on the first page of this Agreement (or, in the case of electronic delivery, as set forth in the grant details for this Award set forth in the Company's selected broker's website), subject to the vesting conditions described in this Agreement. Your Restricted Stock Units may not be transferred, assigned, pledged, or hypothecated, whether by operation of Applicable Law or otherwise, nor may the Restricted Stock Units be made subject to execution, attachment, or similar process.

**Vesting**

Your Restricted Stock Units will vest as indicated on the first page of this Agreement (or, in the case of electronic delivery, in accordance with the grant details for this award set forth the Company's selected broker's website), provided you remain in Service with the Company or any Affiliate on each applicable vesting date and meet any applicable vesting requirements set forth in this Agreement. Any resulting fractional shares shall be rounded up to the nearest whole share; provided, that you may not vest in more than the number of Restricted Stock Units set forth on the cover sheet of this Agreement. Except as provided in this Agreement, or in any other agreement between you and the Company, no additional Restricted Stock Units will vest after your Service has terminated.

**Share Delivery; Vested Restricted Stock Units; Tax-Related Items**

Shares of Stock underlying the vested portion of the Restricted Stock Units will be delivered to you by the Company as soon as practicable following the applicable vesting date for those shares of Stock, but in no event beyond 2½ months after the end of the calendar year in which the shares would have been otherwise delivered. On the vesting date (or as soon as practicable thereafter), a brokerage account in your name will be credited with shares of Stock representing the number of shares that vested under this grant (the "Vested Shares"). If the vesting date is not a trading day, the Vested Shares will be delivered on the next trading day (or as soon as practicable thereafter).

Regardless of any action the Company or the Affiliate to whom you provide Services (the “Employer”) takes with respect to any or all income tax, social insurance, payroll tax, payment on account or other tax-related items related to the Restricted Stock Units and/or your participation in the Plan and legally applicable to you (“Tax-Related Items”), you acknowledge that the ultimate liability for all Tax-Related Items is and remains your responsibility and may exceed the amount actually withheld by the Company or the Employer, if any. You further acknowledge that the Company and/or the Employer (1) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Restricted Stock Units, including, but not limited to, the grant, vesting, or settlement of the Restricted Stock Units, the issuance of shares of Stock upon settlement of the Restricted Stock Units, the subsequent sale of shares of Stock acquired pursuant to such issuance and the receipt of any dividends and/or any dividend equivalents; and (2) do not commit to and are under no obligation to structure the terms of the award or any aspect of the Restricted Stock Units to reduce or eliminate your liability for Tax-Related Items or achieve any particular tax result. Further, if you have become subject to tax in more than one jurisdiction, you acknowledge that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

By accepting this award, you agree to establish a brokerage account with the Company’s designated broker and irrevocably (i) instruct the Company to deliver the Vested Shares to your account with such broker, or its agents; and (ii) authorize and direct the Company and its broker, or their respective agents, in their discretion, to effect a mandatory sale (“Automatic Sale”), on your behalf, of such portion of the Vested Shares that the Company determines is necessary to satisfy Tax-Related Items (the “Withholding Shares”), with such sale to be effected at the market price per share of Stock at the time of such sale, and (iii) expressly consent to the delivery of the proceeds of the sale of Withholding Shares to the Company, or its agents, to be used as it determines advisable for purposes of funding any applicable Tax-Related Items (whether on behalf of the Company or you as award holder or Plan participant) with respect to the Restricted Stock Units and your participation in the Plan. You further acknowledge that this irrevocable written instruction is intended to constitute an instruction pursuant to Rule 10b5-1 of the Exchange Act with the Automatic Sale intended to comply with these requirements. As such, all provisions hereof shall be interpreted consistent with Rule 10b5-1 and shall be automatically modified to the extent necessary to comply therewith.

The Company shall be responsible for the payment of any brokerage commissions relating to the sale of the Withholding Shares.

You acknowledge that until the first trading day following the broker’s sale of the Withholding Shares, you shall not be entitled to effect transactions in the net Vested Shares, net of any Withholding shares, credited to your brokerage account.



The Company may withhold or account for Tax-Related Items by considering applicable minimum statutory withholding rates or other applicable withholding rates, including maximum applicable rates to the extent permitted by the Plan, in which case you may receive a refund of any over-withheld amount in cash and will have no entitlement to the Stock equivalent. For tax purposes, you are deemed to have been issued the full number of shares of Stock subject to the Vested Shares, notwithstanding that a number of the shares of Stock have been sold, or otherwise withheld, for the purpose of paying the Tax-Related Items due as a result of any aspect of your participation in the Plan.

By accepting this award, you agree to pay to the Company or the Employer, including through withholding from your wages or other cash compensation paid to you by the Company and/or the Employer, any amount of Tax-Related Items that the Company or the Employer may be required to withhold or account for as a result of your participation in the Plan that cannot be satisfied by the means of the Automatic Sale. The Company may refuse to issue or deliver the shares of Stock or the proceeds of the sale of shares of Stock, if you fail to comply with your obligations in connection with the Tax-Related Items.

**Forfeiture of Unvested Restricted Stock Units**

Except as specifically provided in this Agreement or as may be provided in other agreements between you and the Company, no additional Restricted Stock Units will vest after your Service with the Company, the Employer, or any Affiliate has terminated for any reason, and you will forfeit to the Company all of the Restricted Stock Units that have not yet vested or with respect to which all applicable restrictions and conditions have not lapsed upon such termination of your Service.

**Deferral of Compensation**

Delivery of shares underlying any award of Restricted Stock Units and treatment hereunder shall be subject to any deferral election validly made by eligible participants under the Ciena Corporation Deferred Compensation Plan or any successor plan.

**Death**

If your Service terminates because of your death, the unvested Restricted Stock Units granted under this Agreement will automatically vest as to the number of Restricted Stock Units that would have vested had you remained in Service for the 12-month period immediately following your death.

**Disability**

If your Service terminates because of your Disability, the unvested Restricted Stock Units granted under this Agreement will automatically vest as to the number of Restricted Stock Units that would have vested had you remained in Service for the 12-month period immediately following your termination on account of Disability.

**Termination For Cause**

If your Service is terminated for Cause, then you shall immediately forfeit all rights to your Restricted Stock Units, and this award shall immediately terminate.

**Leaves of Absence**

For purposes of this grant, your Service does not terminate when you go on a *bona fide* leave of absence approved by the Company, if the terms of your leave provide for continued Service crediting, or when continued Service crediting is required by Applicable Law. The Company will determine, in its sole discretion, whether and when a leave of absence constitutes a termination of Service under the Plan.

**Retention Rights**

Neither your Restricted Stock Units nor this Agreement give you the right to be retained by the Company, the Employer, or any Affiliate in any capacity, and your Service may be terminated at any time and for any reason.

**Shareholder Rights**

You have no rights as a shareholder unless and until the shares of Stock relating to the Restricted Stock Units have been issued to you (or an appropriate book entry has been made). Except as described in the Plan or herein, no adjustments are made for dividends or other rights if the applicable record date occurs before your shares of Stock are issued (or an appropriate book entry has been made).

If the Company pays a dividend on its shares of Stock, you will, however, be entitled to receive a cash payment equal to the per-share dividend paid on the shares of Stock times the number of Restricted Stock Units that you hold as of the record date for the dividend; provided, however, such Dividend Equivalent Rights shall not vest or become payable unless and until the Restricted Stock Units to which the Dividend Equivalent Rights correspond become vested and nonforfeitable pursuant to this Agreement or the Plan.

**Nature of Grant**

In accepting the award and the Restricted Stock Units, you acknowledge, understand, and agree that:

(1) the Plan is established voluntarily by the Company, it is discretionary in nature, and it may be modified, amended, suspended, or terminated by the Company at any time;

(2) the grant of the Restricted Stock Units is voluntary and occasional and does not create any contractual or other right to receive future grants of Restricted Stock Units, or benefits in lieu of Restricted Stock Units, even if Restricted Stock Units have been granted in the past;

(3) all decisions with respect to future Restricted Stock Unit grants, if any, will be at the sole discretion of the Company;

(4) your participation in the Plan is voluntary;

(5) the Restricted Stock Units and the shares of Stock subject to the Restricted Stock Units, and the income from and value of such Restricted Stock Units, are not intended to replace any pension rights;

(6) the Restricted Stock Units and the shares of Stock subject to the Restricted Stock Units, and the income from and value of such Restricted Stock Units, are not part of normal or expected compensation for purposes of calculating any severance, resignation, termination, redundancy, dismissal, end of Service payments, bonuses, holiday pay, long-service

awards, pension or retirement or welfare benefits, or similar payments;

(7) the Restricted Stock Unit grant and your participation in the Plan will not be interpreted to form or amend a Service contract or relationship with the Company, the Employer, or any Affiliate;

(8) the future value of the underlying shares of Stock is unknown and cannot be predicted with certainty;

(9) no claim or entitlement to compensation or damages shall arise from forfeiture of the Restricted Stock Units resulting from termination of your Service relationship with the Company or the Employer (for any reason whatsoever and whether or not in breach of contract or local employment laws in the country where you reside, even if otherwise applicable to your employment benefits from the Employer, and/or later found to be invalid), and in consideration of the grant of the Restricted Stock Units, you irrevocably agree never to institute any claim against the Company, the Employer, or any Affiliate, waive your ability, if any, to bring any such claim, and release the Company, the Employer, and any Affiliate from any such claim; if, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by accepting this award of Restricted Stock Units, you shall be deemed irrevocably to have agreed not to pursue such claim and agree to execute any and all documents necessary to request dismissal or withdrawal of such claims;

(10) in the event of termination of your Service relationship (whether or not in breach of contract or local employment laws in the country where you reside, even if otherwise applicable to your employment benefits from the Employer, and/or later found to be invalid), your right to vest in the Restricted Stock Units under the Plan, if any, will terminate effective as of the date that you are no longer actively providing Services to the Company, the Employer, or any Affiliate as a Service Provider and will not be extended by any notice period mandated under local law (*e.g.*, active Service as a Service Provider would not include a period of “garden leave” or similar period); the Committee shall have the exclusive discretion to determine when you are no longer actively providing Services for purposes of your Restricted Stock Units grant;

(11) the Restricted Stock Units and the benefits evidenced by this Agreement do not create any entitlement, not otherwise specifically provided for in the Plan or by the Company in its discretion, to have the Restricted Stock Units or any such benefits transferred to, or assumed by, another company, nor to be exchanged, cashed out, or substituted for, in connection with any corporate transaction affecting the Stock (including a Corporate Transaction);

(12) unless otherwise agreed with the Company, the Restricted Stock Units and the shares of Stock subject to the Restricted Stock Units, and the income from and value of same, are not granted as consideration for, or in connection with, the service you may provide as a director of an Affiliate of the Company; and

(13) the following provisions apply only if you are providing Services outside the United States:

(A) the Restricted Stock Units and the shares of Stock subject to the Restricted Stock Units, and the income from and value of such Restricted Stock Units, are not part of normal or expected compensation or salary for any purpose and in no event should be considered as compensation for, or relating in any way to, past Services for the Company, the Employer, or any Affiliate; and

(B) you acknowledge and agree that neither the Company, the Employer, nor any Affiliate shall be liable for any foreign exchange rate fluctuation between the Employer's local currency and the United States dollar that may affect the value of any proceeds from the sale of shares of Stock acquired under the Plan.

## **Data Privacy**

***You hereby explicitly and unambiguously consent to the collection, use, and transfer, in electronic or other form, of your personal data as described in this Agreement and any other Restricted Stock Unit grant materials by and among, as applicable, the Employer, the Company, and its Affiliates for the exclusive purpose of implementing, administering, and managing your participation in the Plan.***

***You understand that the Company and the Employer may hold certain personal information about you, including, but not limited to, your name, home address, email address and telephone number, date of birth, social security or social insurance number, passport number or other identification number, salary, nationality, job title, any shares of Stock or directorships held in the Company, details of all Restricted Stock Units or any other entitlement to shares of Stock awarded, canceled, exercised, vested, unvested, or outstanding in your favor, for the exclusive purpose of implementing, administering, and managing the Plan ("Data").***

***You understand that Data will be transferred to E\*Trade Financial Services, Inc., or such other stock plan service provider as may be selected by the Company in the future, which is assisting the Company with the implementation, administration, and management of the Plan.***

***You understand that the recipients of the Data may be located in the United States or elsewhere, and that the recipients' country (e.g., the United States) may have different data privacy laws and protections than your country.***

*You understand that you may request a list with the names and addresses of any potential recipients of the Data by contacting your local human resources representative. You authorize the Company, E\*Trade Financial Services, Inc., and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering, and managing the Plan to receive, possess, use, retain, and transfer the Data, in electronic or other form, for the sole purpose of implementing, administering, and managing your participation in the Plan.*

*You understand that Data will be held only as long as is necessary to implement, administer, and manage your participation in the Plan.*

*You understand that you may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data, or refuse or withdraw the consents herein, in any case without cost, by contacting in writing your local human resources representative or the Company's stock administration department.*

*Further, you understand that you are providing the consents herein on a purely voluntary basis.*

*If you do not consent, or if you later revoke your consent, your employment status or Service with the Employer will not be affected; the only consequence of refusing or withdrawing your consent is that the Company would not be able to grant Restricted Stock Units or other equity awards to you or administer or maintain such awards.*

*Therefore, you understand that refusing or withdrawing your consent may affect your ability to participate in the Plan.*

*For more information on the consequences of your refusal to consent or withdrawal of consent, you understand that you may contact your local human resources representative or the Company's stock administration department.*

#### **No Advice Regarding Grant**

The Company is not providing any tax, legal, or financial advice, nor is the Company making any recommendations regarding your participation in the Plan, or your acquisition or sale of the Stock underlying your Restricted Stock Units. You are hereby advised to consult with your own personal tax, legal, and financial advisors regarding your participation in the Plan before taking any action related to the Plan.

**Applicable Law and Venue**

The Restricted Stock Units and the provisions of this Agreement are governed by, and subject to, the laws of the State of Delaware, without regard to the conflict of law provisions.

For purposes of litigating any dispute that arises under this award or the Agreement, the parties hereby submit to and consent to the jurisdiction of the State of Delaware, and agree that such litigation shall be conducted in the state courts of Delaware, or the federal courts for the District of Delaware, and no other courts, where this grant is made and/or to be performed. ***You agree to waive your rights to a jury trial for any claim or cause of action based upon or arising out of this Agreement or the Plan.***

**Language**

If you have received this Agreement or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

**Electronic Delivery and Acceptance**

The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means or request your consent to participate in the Plan by electronic means. You hereby consent to receive such documents by electronic delivery and agree to participate in the Plan through an on-line or electronic system established and maintained by the Company, the Company's designated broker, or their respective third parties. If you fail to submit a written rejection of this award to the Company's Stock Administration Department prior to the date on which this award shall be deemed accepted by you and the terms of this award and the Plan shall apply to the same extent as if you had accepted your award electronically via the website of the Company's selected broker.

**Severability**

The provisions of this Agreement are severable, and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

**Waiver**

You acknowledge that a waiver by the Company of breach of any provision of this Agreement shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach of this Agreement.

**Country-Specific Provisions: Appendix A**

Notwithstanding any provisions in this Agreement, this award of Restricted Stock Units shall be subject to any additional terms and conditions set forth in Appendix A to this Agreement for your country. Moreover, if you relocate to one of the countries included in Appendix A, the terms and conditions for such country will apply to you, to the extent the Company determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons.

**Foreign Account / Assets Reporting and Exchange Controls**

Depending upon the country to which laws you are subject, you may have certain foreign asset and/or account reporting requirements and exchange controls which may affect your ability to acquire or hold shares of Stock under the Plan or cash received from participating in the Plan (including from any dividends received or sale proceeds arising from the sale of shares of Stock) in a brokerage or bank account outside your country of residence. Your country may require that you report such accounts, assets or transactions to the applicable authorities in your country. You may be required to repatriate sale proceeds or other funds received as a result of your participation in the Plan to your country through a designated bank or broker within a certain time after receipt. You are responsible for knowledge of and compliance with any such regulations and should speak with your own personal tax, legal and financial advisors regarding the same.

**Insider Trading / Market Abuse Laws**

You acknowledge that, depending on your country, you may be subject to insider trading restrictions and/or market abuse laws, which may affect your ability to acquire or sell shares of Stock or rights to shares of Stock (e.g., Restricted Stock Units) under the Plan during such times as you are considered to have “inside information” regarding the Company (as defined by the laws in your country). Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable insider trading policy of the Company. You acknowledge that it is your responsibility to comply with any applicable restrictions, and you should consult with your own personal legal and financial advisors on this matter.

**Imposition of Other Requirements**

The Company reserves the right to impose other requirements on your participation in the Plan, on the award, on the Restricted Stock Units, and on any shares of Stock acquired under the Plan, to the extent the Company determines it is necessary or advisable for legal or administrative reasons, and to require you to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

***This Agreement is not a stock certificate or a negotiable instrument.***

**APPENDIX A  
TO  
RESTRICTED STOCK UNIT AGREEMENT  
FOR GRANTEES LOCATED OUTSIDE THE UNITED STATES**

***Terms and Conditions***

This Appendix A includes additional terms and conditions that govern the Restricted Stock Units granted to Grantees who reside in the countries listed herein. These terms and conditions are in addition to or, if so indicated, in replacement of the terms and conditions set forth in the Agreement. Any capitalized term used in this Appendix A without definition shall have the meaning ascribed to such term in the Plan or the main body of this Agreement, as applicable.

***Notifications***

This Appendix A also includes information regarding exchange control, foreign asset and/or account, securities and other laws in effect in the respective countries as of March 2017. Such laws are often complex and change frequently. As a result, the Company strongly recommends that you not rely on the information herein as the only source of information relating to the consequences of your participation in the Plan because the information may be out of date at the time your Restricted Stock Units vest or you sell shares of Stock. In addition, the information is general in nature and might not apply to your particular situation, and the Company is not in a position to assure you of any particular result. Accordingly, you are advised to seek appropriate professional advice as to how the relevant laws in your country may apply to your situation.

Finally, note that if you are a citizen or resident of a country other than the one in which you are currently working and/or residing, or are considered a resident of another country for local law purposes or if you transfer employment and/or residency to another country after the Grant Date, the information contained herein may not be applicable to you in the same manner. In addition, the Company shall, in its sole discretion, determine to what extent the additional terms and conditions included herein will apply to you under these circumstances.

**ARGENTINA**

***Terms and Conditions***

***Acknowledgment of Nature of Grant.*** The following provision supplements the Nature of Grant section of the Agreement:

In accepting the grant of the Award, you acknowledge and agree that the grant of the Award is made by the Company (not the Employer) in its sole discretion and that the value of any Awards or shares of Stock acquired under the Plan shall not constitute salary or wages for any purpose under Argentine labor law, including the calculation of (i) any labor benefits including, but not limited to, vacation pay, thirteenth salary, compensation in lieu of notice, annual bonus, disability, and leave of absence payments, or (ii) any termination or severance indemnities.

If, notwithstanding the foregoing, any benefits under the Plan are considered for purposes of calculating any termination or severance indemnities, you acknowledge and agree that such benefits shall not accrue more frequently than on an annual basis.

***Notifications***

***Securities Law Information.*** Neither the Restricted Stock Units nor the underlying shares of Stock are publicly offered or listed on any stock exchange in Argentina. The offer is private and not subject to the supervision of any Argentine governmental authority.

***Exchange Control Information.*** Exchange control regulations in Argentina are subject to frequent change. You are



solely responsible for complying with any exchange control obligations that you may have in connection with participation in the Plan and should consult with your personal legal advisor regarding same.

## **AUSTRALIA**

### *Notifications*

*Australia Offer Document.* The grant of Restricted Stock Units under the Plan is intended to comply with the provisions of the Corporations Act 2001, ASIC Regulatory Guide 49 and ASIC Class Order 14/1000. Additional details are set forth in the Australia Offer Document, which is provided with the Agreement.

*Tax Information.* Subdivision 83A-C of the Income Tax Assessment Act, 1997, applies to Restricted Stock Units granted under the Plan, such that the Restricted Stock Units are intended to be subject to deferred taxation.

## **AUSTRIA**

### *Notifications*

*Exchange Control Information.* You understand that if you hold shares of Stock acquired under the Plan outside of Austria, you will be required to submit reports to the Austrian National Bank as follows: (i) on a quarterly basis if the value of the shares of Stock as of any given quarter meets or exceeds €30,000,000; and (ii) on an annual basis if the value of the shares of Stock as of December 31 meets or exceeds €5,000,000. If quarterly reporting is required, the reports must be filed on or before the 15th day of the month following the last day of the respective quarter. The deadline for filing the annual report is January 31 of the following year.

When shares of Stock are sold or a dividend is paid on the shares of Stock, you understand that you may have exchange control obligations if you hold the cash proceeds outside Austria. If the transaction volume of all of your accounts abroad meets or exceeds €10,000,000, you understand that you must report the movements and balances of all accounts on a monthly basis, as of the last day of the month, on or before the 15th day of the following month.

## **BELGIUM**

### *Notifications*

*Foreign Account / Assets Reporting Information.* If you are a Belgian resident, you are required to report any taxable income attributable to the grant of the Restricted Stock Units on your annual tax return. In addition, you are required to report any security (e.g., shares of Stock acquired under the Plan) or bank accounts (including brokerage accounts) opened and maintained outside Belgium on your annual tax return. You also are required to complete a separate report providing the Central Contact Point of the National Bank of Belgium with details regarding any such account, including the account number, the name of the bank in which such account is held and the country in which such account is located the first time you report the foreign security and/or bank account on your annual tax return. The forms to complete this report are available on the website of the National Bank of Belgium.

## **BRAZIL**

### *Terms and Conditions*

*Compliance with the Law.* In accepting the grant of the Restricted Stock Units, you acknowledge your agreement to comply with applicable Brazilian laws and to pay any and all applicable tax associated with the vesting of the Restricted Stock Units and the sale of any shares of Stock acquired under the Plan and the receipt of any dividends.

*Acknowledgment of Nature of Grant.* The following provision supplements the Nature of Grant section of the Agreement:

By participating in the Plan, you acknowledge, understand and agree that (i) you are making an investment decision, (ii) shares of Stock will be issued to you only if you remain in Service through each vesting date, and (iii) the value of the shares of Stock is not fixed and may increase or decrease in value without compensation to you.

### *Notifications*

*Exchange Control Information.* If you hold assets and rights outside Brazil with an aggregate value exceeding US\$100,000, you will be required to prepare and submit to the Central Bank of Brazil an annual declaration of such assets and rights, including: (i) bank deposits; (ii) loans; (iii) financing transactions; (iv) leases; (v) direct investments; (vi) portfolio investments, including shares of Stock acquired under the Plan; (vii) financial derivatives investments; and (viii) other investments, including real estate and other assets. Please note that foreign individuals holding Brazilian visas are considered Brazilian residents for purposes of this reporting requirement and must declare at least the assets held abroad that were acquired subsequent to the date of admittance as a resident of Brazil. Individuals holding assets and rights outside Brazil valued at less than US\$100,000 are not required to submit a declaration.

## **CANADA**

### *Terms and Conditions*

*Restricted Stock Units Payable Only in Shares of Stock.* Notwithstanding any discretion in the Plan or the Agreement to the contrary, Restricted Stock Units granted in Canada shall be paid in shares of Stock only and do not provide any right for you to receive a cash payment.

*The following provisions will apply if you are a resident of Quebec:*

*Language Consent.* The parties acknowledge that it is their express wish that the Agreement, as well as all documents, notices and legal proceedings entered into, given or instituted pursuant hereto or relating directly or indirectly hereto, be drawn up in English.

*Les parties reconnaissent avoir exigé la rédaction en anglais de cette convention, ainsi que de tous documents, avis et procédures judiciaires, exécutés, donnés ou intentés en vertu de, ou liés directement ou indirectement à, la présente convention.*

*Data Privacy.* This provision supplements the Data Privacy section of the Agreement:

You hereby authorize the Company and the Company's representatives to discuss with and obtain all relevant information from all personnel, professional or not, involved in the administration and operation of the Plan. You further authorize the Company, the Employer, any Affiliate and the administrator of the Plan to disclose and discuss the Plan with their advisors. You further authorize the Company, the Employer, any Affiliate and the administrator of the Plan to record such information and to keep such information in your employee file.

### *Notifications*

*Securities Law Information.* You are permitted to sell shares of Stock acquired through the Plan through the designated broker appointed under the Plan, if any, provided the resale of shares of Stock acquired under the Plan takes place outside of Canada through the facilities of a stock exchange on which the Stock is listed. Currently, the Stock is listed on the New York Stock Exchange.

*Foreign Account / Assets Reporting Information.* Foreign property, including Restricted Stock Units, shares of Stock acquired under the Plan and other rights to receive shares (e.g., Restricted Stock Units) of a non-Canadian company held by a Canadian resident must generally be reported annually on a Form T1135 (Foreign Income Verification Statement) if the total cost of the foreign property exceeds C\$100,000 at any time during the year. Thus, such Restricted Stock Units must be reported - generally at a nil cost - if the C\$100,000 cost threshold is exceeded because other foreign property is held by you. When shares of Stock are acquired, their cost generally is the adjusted cost base

("ACB") of the shares. The ACB would ordinarily equal the fair market value of the shares at the time of acquisition, but if you own other shares of the same company, this ACB may have to be averaged with the ACB of the other shares. You should consult with your personal tax advisor to determine your reporting requirements.

## **COLOMBIA**

### *Terms and Conditions*

*Acknowledgment of Nature of Grant.* The following provision supplements the Nature of Grant section of the Agreement:

You acknowledge that pursuant to Article 128 of the Colombian Labor Code, the Plan and related benefits do not constitute a component of your "salary" for any legal purpose. To this extent, they will not be included and/or considered for purposes of calculating any and all labor benefits, such as legal/fringe benefits, vacations, indemnities, payroll taxes, social insurance contributions and/or any other labor-related amount which may be payable.

### *Notifications*

*Exchange Control Information.* Investments in assets located abroad (including shares of Stock) are subject to registration with the Central Bank (Banco de la República) if your aggregate investments held abroad (as of December 31 of the applicable calendar year) equal or exceed US\$500,000. Further, when shares of Stock (or other investments) held abroad are sold, you may either choose to keep the resulting sums abroad, or to repatriate them to Colombia. If you choose to repatriate funds to Colombia and have not registered the investment with Banco de la República, you will need to file with Banco de la República Form No. 5 upon conversion of funds into local currency, which should be duly completed to reflect the nature of the transaction. If you have registered the investment with Banco de la República, then you will need to file with Banco de la República Form No. 4 upon conversion of funds into local currency, which should be duly completed to reflect the nature of the transaction. You should obtain proper legal advice in order to ensure compliance with applicable Colombian regulations.

## **DENMARK**

### *Terms and Conditions*

*Stock Options Act.* You acknowledge that you received an Employer Statement in Danish which sets forth the terms of your Restricted Stock Units under the Act on Stock Options.

### *Notifications*

*Exchange Control and Tax Reporting Information.* You must complete a "Declaration V" form in connection with the deposit of any securities (including shares of Stock acquired under the Plan) into a bank or brokerage account outside of Denmark. The form is available on the website of the Danish Tax Authorities. In connection with filing Declaration V to the Danish Tax Authorities, the bank or broker with which the securities are deposited (the "depository") may sign a statement according to which the depository undertakes an obligation, without further request, to forward certain information concerning the shares on an annual basis to the Danish tax authorities. However, if the depository will not agree to sign such a statement you are personally responsible for submitting the required information as an attachment to your annual tax return. It is only necessary to submit a Declaration V form the first time securities are deposited with a depository outside of Denmark. However, if the securities are transferred to a different depository or if you begin using a new depository, a new Declaration V is required. Generally, the Declaration V must be submitted by the depository no later than on February 1 of the year following the calendar year to which the information relates. However, if you are responsible for submitting the information, you must submit the required information as an attachment to your annual tax return.

In addition, if you hold shares of Stock or cash in an account outside of Denmark, you are required to report the

existence of such an account to the Danish Tax Authorities by completing a “Declaration K” form and submitting it to the Danish Tax Authorities following opening of the account. The form is available on the website of the Danish Tax Authorities. A separate form must be submitted for each account held outside of Denmark that holds shares of Stock or cash which are taxable in Denmark. The Declaration K requirement is in addition to the Declaration V requirement discussed above. You should consult with your personal legal advisor to ensure compliance with the applicable requirements.

## **FRANCE**

### *Terms and Conditions*

*Tax Information.* The Restricted Stock Units are not intended to be French tax-qualified Awards.

*Language Consent.* By signing and returning this Agreement, you confirm having read and understood the documents relating to the Plan which were provided to you in the English language. You accept the terms of those documents accordingly.

*En signant et renvoyant ce Contrat vous confirmez ainsi avoir lu et compris les documents relatifs au Plan qui vous ont été communiqués en langue anglaise. Vous en acceptez les termes en connaissance de cause.*

### *Notifications*

*Foreign Account / Assets Reporting Information.* You may hold shares of Stock acquired under the Plan outside of France provided that you declare all foreign accounts, whether open, current, or closed in your income tax return. Failure to comply could trigger significant penalties.

## **GERMANY**

There are no country-specific provisions.

## **HONG KONG**

### *Terms and Conditions*

*Sale of Shares.* Shares of Stock received at vesting are accepted as a personal investment. If the Award vests within six months of the Grant Date, you agree that you will not dispose of the shares of Stock acquired prior to the six-month anniversary of the Grant Date.

*Securities Law Information. Warning: The contents of this document have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the offer. If you are in any doubt about any of the contents of the Agreement or the Plan, you should obtain independent professional advice. Neither the grant of the Restricted Stock Units nor the issuance of shares of Stock upon vesting constitutes a public offering of securities under Hong Kong law and are available only to employees, directors or consultants of the Company, the Employer or an Affiliate. The Agreement, the Plan and other incidental communication materials (i) have not been prepared in accordance with and are not intended to constitute a “prospectus” for a public offering of securities under the applicable securities legislation in Hong Kong and (ii) are intended only for the personal use of each eligible employee, director or consultant of the Company, the Employer or an Affiliate and may not be distributed to any other person.*

### *Notifications*

*Nature of Scheme.* The Company specifically intends that the Plan will not be an occupational retirement scheme for purposes of the Occupational Retirement Schemes Ordinance (“ORSO”). Notwithstanding the foregoing, if the Plan is deemed to constitute an occupational retirement scheme for the purposes of ORSO, the grant of the Restricted Stock Units shall be void.

## INDIA

*Exchange Control Information.* You must repatriate all proceeds resulting from the sale of shares of Stock issued upon vesting of the Restricted Stock Units to India within 90 days of receipt and all proceeds from the receipt of cash dividends within 180 days of receipt, or within any other time frame prescribed under applicable Indian exchange control laws as may be amended from time to time. You will receive a foreign inward remittance certificate (“FIRC”) from the bank where you deposit the foreign currency. You should maintain the FIRC as evidence of the repatriation of funds in the event the Reserve Bank of India or the Employer requests proof of repatriation. You are responsible for complying with applicable exchange control laws in India.

## IRELAND

*Director Notification Information.* If you are a director, shadow director, or secretary of an Irish Affiliate, pursuant to the Companies Act 2014, you must (a) notify that Affiliate in writing if you receive or dispose of an interest exceeding in the aggregate 1% of the share capital of the Company (e.g., Restricted Stock Units, shares of Stock or debenture), (b) if you become aware of the event giving rise to the notification requirement, or (c) if you become a director or secretary if such an interest exceeding 1% in the aggregate of the share capital of the Company exists at the time. This notification requirement also applies with respect to the interests of a spouse, civil partner, or minor children (whose interests will be attributed to the director, shadow director, or secretary). You should consult your personal legal advisor to ensure compliance with the applicable requirements.

## ISRAEL

### *Terms and Conditions*

*Mandatory Sale Restriction.* To facilitate compliance with local tax requirements, you agree to the sale of any shares of Stock to be issued to you upon vesting. The sale will occur (i) immediately upon vesting, (ii) following your termination of Service, or (iii) within any other time frame as the Company determines to be necessary to comply with local tax requirements. You further agree that the Company is authorized to instruct its designated broker to assist with the mandatory sale of such shares of Stock (on your behalf pursuant to this authorization) and you expressly authorize the Company’s designated broker to complete the sale of such shares of Stock. You acknowledge that the Company’s designated broker is under no obligation to arrange for the sale of the shares of Stock at any particular price. Upon the sale of the shares of Stock, the Company agrees to pay you the cash proceeds from the sale, less any brokerage fees or commissions and subject to any obligation to satisfy the Tax-Related Items.

You further agree that any shares of Stock to be issued to you shall be deposited directly into an account with the Company’s designated broker. The deposited shares of Stock shall not be transferable (either electronically or in certificate form) from the brokerage account. This limitation shall apply both to transfers to different accounts with the same broker and to transfers to other brokerage firms. The limitation shall apply to all shares of Stock issued to you under the Plan, whether or not you remain in Service.

## ITALY

### *Terms and Conditions*

***Data Privacy. This provision replaces the Data Privacy section of the Agreement in its entirety:***

***You understand that the Company and the Employer are the Privacy Representatives of the Company in Italy and may hold certain personal information about you, including, but not limited to, your name, home address, email address and telephone number, date of birth, social insurance, passport or other identification number, salary, nationality, job title, any shares of Stock or directorships held in the Company or any Affiliate, details of all Restricted Stock Units or any other entitlement to shares of Stock awarded, canceled, vested, unvested or outstanding in your favor, and that the Company and the Employer will process said data and other data lawfully received from third***

*parties (“Personal Data”) for the exclusive purpose of managing and administering the Plan and complying with applicable laws, regulations and Community legislation. You also understand that providing the Company with Personal Data is mandatory for compliance with laws and is necessary for the performance of the Plan and that your refusal to provide Personal Data would make it impossible for the Company to perform its contractual obligations and may affect your ability to participate in the Plan. You understand that Personal Data will not be publicized, but it may be accessible by the Employer as the Privacy Representative of the Company and within the Employer’s organization by its internal and external personnel in charge of processing, and by E\*Trade Financial Services, Inc. or any other data processor appointed by the Company. The updated list of Processors and of the subjects to which Personal Data are communicated will remain available upon request from the Employer.*

*The Controller of Personal Data processing is Ciena Corporation, with registered offices at 7035 Ridge Road, Hanover, Maryland 21076, United States of America, and, pursuant to Legislative Decree no. 196/2003, its Privacy Representative in Italy is Ciena Ltd. Piazzale Biancamano, 8 Milano 20121 Italy.*

*Furthermore, Personal Data may be transferred to banks, other financial institutions or brokers involved in the management and administration of the Plan. You understand that Personal Data may also be transferred to the independent registered public accounting firm engaged by the Company, and also to the legitimate addressees under applicable laws. You further understand that the Company and its Affiliates will transfer Personal Data amongst themselves as necessary for the purpose of implementation, administration and management of your participation in the Plan, and that the Company and its participating Affiliates may each further transfer Personal Data to third parties assisting the Company in the implementation, administration and management of the Plan, including any requisite transfer of Personal Data to E\*Trade Financial Services, Inc. or any other third party with whom you may elect to deposit any shares of Stock acquired under the Plan or any proceeds from the sale of such shares. Such recipients may receive, possess, use, retain and transfer Personal Data in electronic or other form, for the purposes of implementing, administering and managing your participation in the Plan. You understand that these recipients may be acting as Controllers, Processors or persons in charge of processing, as the case may be, according to applicable privacy laws, and that they may be located in or outside the European Economic Area, such as in the United States or elsewhere, in countries that do not provide an adequate level of data protection as intended under Italian privacy law.*

*Should the Company exercise its discretion in suspending all necessary legal obligations connected with the management and administration of the Plan, it will delete Personal Data as soon as it has accomplished all the necessary legal obligations connected with the management and administration of the Plan.*

*You understand that Personal Data processing related to the purposes specified above shall take place under automated or non-automated conditions, anonymously when possible, that comply with the purposes for which Personal Data is collected and with confidentiality and security provisions as set forth by applicable Italian data privacy laws and regulations, with specific reference to Legislative Decree no. 196/2003.*

*The processing activity, including communication, the transfer of Personal Data abroad, including outside of the European Economic Area, as specified herein and pursuant to applicable Italian data privacy laws and regulations, does not require your consent thereto as the processing is necessary to performance of law and contractual obligations related to implementation, administration and management of the Plan. You understand that, pursuant to section 7 of the Legislative Decree no. 196/2003, you have the right at any moment to, including, but not limited to, obtain confirmation that Personal Data exists or not, access, verify its contents, origin and accuracy, delete, update, integrate, correct, block or stop, for legitimate reason, the Personal Data processing. To exercise privacy rights, you should contact the Employer. Furthermore, you are aware that Personal Data will not be used for direct marketing purposes. In addition, Personal Data provided can be reviewed and questions or complaints can be addressed by contacting your human resources department.*

*Plan Document Acknowledgment.* By accepting the Restricted Stock Units, you acknowledge that you have received and reviewed a copy of the Plan, the Agreement and this Appendix A in their entirety and fully accept all provisions thereof. You further acknowledge that you have read and specifically and expressly approve the following provisions

of the Agreement: Restricted Stock Unit Transferability; Vesting; Share Delivery; Vested Restricted Stock Units; Tax-Related Items; Forfeiture of Unvested Restricted Stock Units; Retention Rights; Shareholder Rights; Nature of Grant; Applicable Law and Venue; Language; Electronic Delivery and Acceptance; Severability; Imposition of Other Requirements and the Data Privacy section included in this Appendix A.

### *Notifications*

*Foreign Account / Assets Reporting Information.* If you are an Italian resident and hold investments or financial assets outside of Italy (e.g., cash, Restricted Stock Units, shares of Stock) during any fiscal year which may generate income taxable in Italy (or if you are the beneficial owner of such an investment or asset even if you do not directly hold the investment or asset), you are required to report such investments or assets on your annual tax return for such fiscal year (on UNICO Form, RW Schedule, or on a special form if you are not required to file a tax return).

## **JAPAN**

### *Notifications*

*Foreign Account / Assets Reporting Information.* You are required to report details of any assets held outside of Japan as of December 31<sup>st</sup> (including shares of Stock acquired under the Plan), to the extent such assets have a total net fair market value exceeding ¥50 million. Such report will be due by March 15th each year. You should consult with your personal tax advisor as to whether the reporting obligation applies to you and whether you will be required to report details of your outstanding Restricted Stock Units, as well as shares of Stock, in the report.

## **KOREA**

### *Notifications*

*Exchange Control Information.* Exchange control laws require Korean residents who realize US\$500,000 or more from the sale of shares of Stock (including shares of Stock acquired under the Plan) or the receipt of dividends to repatriate the proceeds to Korea within three years of the sale/receipt.

## **MEXICO**

### *Terms and Conditions*

*Acknowledgement of the Agreement.* By accepting the Restricted Stock Units, you acknowledge that you have received a copy of the Plan and the Agreement, including this Appendix A, which you have reviewed. You further acknowledge that you accept all the provisions of the Plan and the Agreement, including this Appendix A. You also acknowledge that you have read and specifically and expressly approve the terms and conditions set forth in the “Nature of Grant” section of the agreement, which clearly provide as follows:

- (1) Your participation in the Plan does not constitute an acquired right;
- (2) The Plan and your participation in the Plan are offered by the Company on a wholly discretionary basis;
- (3) Your participation in the Plan is voluntary; and
- (4) The Company and its Affiliates are not responsible for any decrease in the value of any shares of Stock acquired at vesting of the Restricted Stock Units.

*Labor Law Acknowledgement and Policy Statement.* By accepting the Restricted Stock Units, you acknowledge that Ciena Corporation, with registered offices at 7035 Ridge Road, Hanover, Maryland 21076, U.S.A., is solely responsible for the administration of the Plan. You further acknowledge that your participation in the Plan, the grant of Restricted

Stock Units and any acquisition of shares of Stock under the Plan do not constitute a Service relationship between you and the Company because you are participating in the Plan on a wholly commercial basis and your sole employer is Ciena Communications Mexico S.A. de C.V. or Ciena Mexico S.A. de C.V. ("Ciena-Mexico"). Based on the foregoing, you expressly acknowledge that the Plan and the benefits that you may derive from participation in the Plan do not establish any rights between you and Ciena-Mexico, and do not form part of the employment conditions and/or benefits provided by Ciena-Mexico, and any modification of the Plan or its termination shall not constitute a change or impairment of the terms and conditions of the Service relationship between you and the Employer.

You further understand that your participation in the Plan is the result of a unilateral and discretionary decision of the Company, therefore, the Company reserves the absolute right to amend and/or discontinue your participation in the Plan at any time, without any liability to you.

Finally, you hereby declare that you do not reserve any action or right to bring any claim against the Company or any Affiliate for any compensation or damages regarding any provision of the Plan or the benefits derived under the Plan, and that you therefore grant a full and broad release to the Company, its Affiliates, branches, representation offices, shareholders, officers, agents and legal representatives, with respect to any claim that may arise.

#### *Spanish Translation*

#### *Términos y Condiciones.*

*Reconocimiento del Contrato. Al aceptar las Acciones usted reconoce que ha recibido una copia del Plan y del Contrato, incluyendo el presente Anexo A, el cuál ha sido revisado por usted. Asimismo usted acepta todas y cada una de las condiciones del Plan y del Contrato, así como del presente Anexo A. Usted también acepta que ha leído y aprobado en todos y cada uno de sus términos lo establecido en el apartado de "Naturaleza del Otorgamiento" del Contrato, el cuál claramente establece que:*

- (1) Su participación en el Plan no constituye un derecho adquirido;*
- (2) El Plan y su participación en el mismo son ofrecidos por la Empresa sobre una base enteramente discrecional;*
- (3) Su participación en el Plan es voluntaria; y*

*(4) La Empresa y sus Afiliadas no son responsables por cualquier descenso en el valor de las Acciones adquiridas al momento de maduración de dichas Acciones.*

*Reconocimiento de la Ley Laboral y Condiciones de la Política. Al aceptar las Acciones, usted reconoce que Ciena Corporation, con oficinas registradas en 7035 Ridge Road, Hanover, Maryland 21076, E.E.U.U., es la única responsable de la administración del Plan. Asimismo usted reconoce que su participación en el Plan, el otorgamiento de Acciones y cualquier adquisición de Capital bajo el Plan no constituye una relación de Servicios entre usted y la Empresa, ya que usted está participando en el Plan sobre una base netamente comercial, y su único y exclusivo patrón lo es Ciena Communications México, S.A. de C.V. ó Ciena México, S.A. de C.V. ("Ciena-México").*

*En relación con lo anterior, usted expresamente reconoce que el Plan y los beneficios que deriven de su participación en el mismo no establecen o constituyen ningún derecho entre usted y Ciena-México, y tampoco forman parte de sus condiciones de trabajo y/o beneficios o prestaciones otorgadas por Ciena-México, y cualquier modificación al Plan o la terminación del mismo no generarán cambios o impedimentos a los términos y condiciones de la relación de Servicios entre usted y su Patrón.*

*Asimismo usted acepta que su participación en el Plan es el resultado de una decisión unilateral y discrecional de la Empresa, por lo tanto la Empresa se reserva el derecho para modificar y/o discontinuar su participación en el Plan en cualquier momento, y sin que lo anterior le ocasione un perjuicio a usted.*



*Finalmente, usted declara y acepta que no se reserva acción o derecho alguno que ejercitar con posterioridad en contra de la Empresa o cualquier Afiliada por alguna compensación o daños y perjuicios relacionado con alguna cláusula del Plan o de los beneficios derivados del mismo, por lo que en este acto usted otorga el más amplio finiquito que en derecho proceda en favor de la Empresa, sus Afiliadas, sucursales, oficinas de representación, accionistas, agentes y representantes legales, en relación con cualquier posible contingencia que pudiera derivarse del presente.*

## **NETHERLANDS**

There are no country-specific provisions.

## **POLAND**

### *Notifications*

*Exchange Control Information.* Polish residents are obligated to transfer funds via bank accounts if the transferred amount in a particular transaction exceeds PLN 15,000. Polish residents are required to store the documents connected with foreign exchange transactions for a period of five years, as measured from the end of the year in which such transaction occurred.

Polish residents holding foreign securities (including shares of Stock) and/or maintaining accounts abroad must report information to the National Bank of Poland. Polish residents holding foreign securities will be required to file quarterly reports with information on transactions and balances regarding foreign securities if the value (calculated individually or together with other assets/liabilities possessed abroad) exceeds PLN 7 million. The reports must be filed on special forms available on the website of the National Bank of Poland. You are responsible for complying with all applicable exchange control regulations.

## **SAUDI ARABIA**

### *Notifications*

*Securities Law Information.* This Appendix A, the Agreement and any other Plan materials related to the grant of Restricted Stock Units under the Plan, may not be distributed in the Kingdom except to such persons as are permitted under the Offers of Securities Regulations issued by the Capital Market Authority.

The Capital Market Authority does not make any representation as to the accuracy or completeness of the Agreement including this Appendix A, the Plan or any other document relating to the offer of Restricted Stock Units under the Plan, and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of the Agreement including this Appendix A, the Plan or any other document relating to the offer of Restricted Stock Units under the Plan. You are hereby advised to conduct your own due diligence on the accuracy of the information relating to the securities. If you do not understand the contents of the Agreement including this Appendix A or any other document relating to the offer of Restricted Stock Units under the Plan, you should consult an authorized financial advisor.

## **SINGAPORE**

### *Terms and Conditions*

*Restrictions on Sale and Transferability.* You hereby agree that any shares of Stock acquired pursuant to the Restricted Stock Units will not be offered for sale in Singapore prior to the six-month anniversary of the Grant Date, unless such sale or offer is made pursuant to the exemption under Part XIII Division I Subdivision (4) (other than section 280) of the Securities and Futures Act (Chap. 289, 2006 Ed.) ("SEA").

## Notifications

**Securities Law Information.** The grant of the Restricted Stock Units is being made pursuant to the “Qualifying Person” exemption” under section 273(1)(f) of the SFA on which basis it is exempt from the prospectus and registration requirements under the SFA and the grant of the Restricted Stock Units is not made to you with a view to the shares of Stock being subsequently offered for sale to any other party. The Plan has not been lodged or registered as a prospectus with the Monetary Authority of Singapore.

**Chief Executive Officer and Director Notification Requirement.** The Chief Executive Officer (“CEO”), directors, associate directors or shadow directors of a Singapore Affiliate are subject to certain notification requirements under the Singapore Companies Act. Specifically, such directors must notify the Singapore Affiliate in writing of an interest (e.g., Restricted Stock Units, shares of Stock, etc.) in the Company or any related company within two business days of (i) its acquisition or disposal, (ii) any change in a previously-disclosed interest (e.g., upon vesting of Restricted Stock Units or when shares of Stock acquired under the Plan are subsequently sold), or (iii) becoming the CEO or a director

## SPAIN

### Terms and Conditions

**Acknowledgment of Nature of Grant.** The following provision supplements the Nature of Grant section of the Agreement:

In accepting the Restricted Stock Units, you consent to participate in the Plan and acknowledge that you have received a copy of the Plan, the Agreement and this Appendix A.

You understand that the Company has unilaterally, gratuitously and in its sole discretion decided to grant Restricted Stock Units under the Plan to individuals who may be Service Providers of the Company or any Affiliate throughout the world. The decision is a limited decision that is entered into upon the express assumption and condition that any grant will not economically or otherwise bind the Company or any Affiliate. Consequently, you understand that the Restricted Stock Units are granted on the assumption and condition that the Restricted Stock Units and any shares of Stock issued upon vesting of the Restricted Stock Units are not part of any employment contract (either with the Company or any Affiliate) and shall not be considered a mandatory benefit, salary for any purposes (including severance compensation) or any other right whatsoever. Further, you understand that the Restricted Stock Units would not be granted to you but for the assumptions and conditions referred to herein; thus, you acknowledge and freely accept that should any or all of the assumptions be mistaken or should any of the conditions not be met for any reason, then the grant of the Restricted Stock Units and any right to the Restricted Stock Units shall be null and void.

You understand and agree that, as a condition of the grant of the Restricted Stock Units, the termination of your status as a Service Provider for any reason (including the reasons below) will automatically result in the loss of the Restricted Stock Units to the extent the Restricted Stock Units have not vested as of the date you are no longer actively providing Service to the Company or the Employer. In particular, you understand and agree that any unvested Restricted Stock Units as of the date you are no longer actively providing Service will be forfeited without entitlement to the underlying shares of Stock or to any amount of indemnification in the event of a termination of your status as a Service Provider by reason of, but not limited to, resignation, retirement, disciplinary dismissal adjudged to be with cause, disciplinary dismissal adjudged or recognized to be without cause (i.e., subject to a “*despido improcedente*”), individual or collective dismissal adjudged or recognized to be without cause, individual or collective dismissal on objective grounds, whether adjudged or recognized to be with or without cause, material modification of the terms of employment under Article 41 of the Workers’ Statute, relocation under Article 40 of the Workers’ Statute, Article 50 of the Workers’ Statute, unilateral withdrawal by the Employer and under Article 10.3 of the Royal Decree 1382/1985. You acknowledge that you have read and specifically accept the conditions referred to in the following provisions of the Agreement: Vesting, Share Delivery; Vested Restricted Stock Units, Tax-Related Items and Nature of Grant.

## *Notifications*

*Exchange Control Information.* To participate in the Plan, you agree to comply with exchange control regulations in Spain. The acquisition of shares of Stock under the Plan must be declared for statistical purposes to the Dirección General de Comercio e Inversiones (the “DGCI”). Because you will not acquire the shares of Stock through the use of a Spanish financial institution, you agree to make the declaration by filing a D-6 form with the DGCI. Generally, the D-6 form must be filed each January while the shares of Stock are owned. In addition, the sale of shares of Stock must also be declared on D-6 form filed with the DGCI in January, unless the sale proceeds exceed the applicable threshold (currently €1,502,530), in which case, the filing is due within one month after the sale.

In addition, you may be required to electronically declare to the Bank of Spain any foreign accounts (including brokerage accounts held abroad), any foreign instruments (including shares of Stock acquired under the Plan), and any transactions with non-Spanish residents (including any payments of shares of Stock made pursuant to the Plan), depending on the balances in such accounts together with the value of such instruments as of December 31 of the relevant year, or the volume of transactions with non-Spanish residents during the relevant year.

*Foreign Account / Assets Reporting Information.* To the extent that you hold rights or assets (e.g., cash or shares of Stock held in a bank or brokerage account) outside of Spain with a value in excess of €50,000 per type of right or asset (e.g., shares of Stock, cash, etc.) as of December 31 each year, you are required to report information on such rights and assets on your tax return for such year. After such rights or assets are initially reported, the reporting obligation will only apply for subsequent years if the value of any previously-reported rights or assets increases by more than €20,000 or if you transfer or dispose of any previously-reported rights or assets. The reporting must be completed by March 31. Failure to comply with this reporting requirement may result in penalties. Accordingly, you are advised to consult with your personal tax and legal advisors to ensure that you are properly complying with your reporting obligations.

## **SWEDEN**

There are no country-specific provisions.

## **SWITZERLAND**

### *Notifications*

*Securities Law Information.* The offering of the Plan is considered a private offering in Switzerland and is, therefore, not subject to registration in Switzerland. Neither this document nor any other materials relating to the Plan (i) constitutes a prospectus as such term is understood pursuant to article 652a of the Swiss Code of Obligations, (ii) may be publicly distributed nor otherwise made publicly available in Switzerland, or (iii) have been or will be filed with, approved or supervised by any Swiss regulatory authority, including the Swiss Financial Market Supervisory Authority (FINMA).

## **UNITED ARAB EMIRATES**

### *Notifications*

*Securities Law Information.* The Restricted Stock Units are only being offered to employees and are in the nature of providing equity incentives to employees of the Company’s Affiliates in the United Arab Emirates. Any documents related to the Restricted Stock Units, including the Plan, the Agreement and other grant documents (“Restricted Stock Unit Documents”), are intended for distribution only to such employees and must not be delivered to, or relied on by, any other person. Neither the Ministry of Economy nor the Dubai Department of Economic Development have approved the Plan or the Agreement nor taken steps to verify the information set out therein, and have no responsibility for such documents. You, as a prospective stockholder, should conduct your own due diligence on the securities. If

you do not understand the contents of the Restricted Stock Unit Documents, you should consult an authorized financial advisor.

## **UNITED KINGDOM**

### *Terms and Conditions*

*Taxes.* This section supplements the Share Delivery; Vested Restricted Stock Units, Tax-Related Items section of the Agreement:

Without limitation to the provisions contained in the Share Delivery; Vested Restricted Stock Units, Tax-Related Items section of the Agreement, you agree that you are liable for all Tax-Related Items and hereby covenant to pay all such Tax-Related Items as and when requested by the Company or the Employer or by Her Majesty's Revenue and Customs ("HMRC") (or any other tax authority or any other relevant authority). You also agree to indemnify and keep indemnified the Company and the Employer against any Tax-Related Items that they are required to pay or withhold on your behalf or have paid or will pay to HMRC (or any other tax authority or any other relevant authority).

*Joint Election.* As a condition of your participation in the Plan and of the vesting of the Restricted Stock Units, you agree to accept any liability for secondary Class 1 National Insurance Contributions which may be payable by the Company and/or the Employer with respect to the vesting of the Restricted Stock Units or otherwise payable in connection with the shares of Stock and the right to acquire shares of Stock ("Employer NICs").

Without limitation to the foregoing, you agree to execute a joint election with the Company or the Employer, the form of such joint election being formally approved by HMRC (the "Joint Election"), and any other required consents or elections as provided to you by the Company or the Employer. You further agree to execute such other joint elections as may be required between you and any successor to the Company or the Employer.

If you do not enter into a Joint Election, or if the Joint Election is revoked at any time by HMRC, the Restricted Stock Units shall cease vesting and become null and void, and no shares of Stock shall be acquired under the Plan, without any liability to the Company, the Employer and/or any Affiliate.

You further agree that the Company and/or the Employer may collect the Employer NICs by any of the means set forth in the Share Delivery; Vested Restricted Stock Units, Tax-Related Items section of the Agreement, as supplemented above.

**CIENA CORPORATION  
2017 OMNIBUS INCENTIVE PLAN**

**RESTRICTED STOCK UNIT AGREEMENT**

Ciena Corporation, a Delaware corporation, (the "Company"), hereby grants restricted stock units ("Restricted Stock Units") relating to shares of its common stock, \$0.01 par value (the "Stock"), to the individual named below as the Grantee, subject to the vesting and other terms and conditions set forth on this Restricted Stock Unit Agreement, including the attached terms and conditions (together, the "Agreement"). This grant is subject to the terms and conditions set forth in (i) this Agreement, (ii) the Ciena Corporation 2017 Omnibus Incentive Plan (as it may be amended from time to time, the "Plan"), and (iii) the grant details for this award contained in your account with the Company's selected broker. Capitalized terms not defined in this Agreement are defined in the Plan and have the meaning set forth in the Plan.

Grant Date: \_\_\_\_\_

Grant Number: \_\_\_\_\_

Name of Grantee: \_\_\_\_\_

Grantee's Employee Identification Number: \_\_\_\_\_

Number of Restricted Stock Units Covered by Grant: \_\_\_\_\_

Vesting Schedule: \_\_\_\_\_

***By accepting this grant (whether by signing this Agreement or accepting the grant electronically via the website of the Company's selected broker), you agree to the terms and conditions in this Agreement and in the Plan and agree that the Plan will control in the event any provision of this Agreement should appear to be inconsistent unless otherwise stated herein.***

Grantee: \_\_\_\_\_

(Signature)

Ciena Corporation: \_\_\_\_\_

Name: David M. Rothenstein

Title: Senior Vice President, General Counsel and Secretary

**CIENA CORPORATION**  
**2017 OMNIBUS INCENTIVE PLAN**

**RESTRICTED STOCK UNIT AGREEMENT**  
**TERMS AND CONDITIONS**

**Restricted Stock Unit Transferability**

This grant is an award of Restricted Stock Units in the number of Restricted Stock Units set forth on the first page of this Agreement, subject to the vesting conditions described in this Agreement. Your Restricted Stock Units may not be transferred, assigned, pledged, or hypothecated, whether by operation of Applicable Law or otherwise, nor may the Restricted Stock Units be made subject to execution, attachment, or similar process.

**Vesting**

Your Restricted Stock Units will vest as indicated on the first page of this Agreement, provided you remain in Service on each applicable vesting date and meet any applicable vesting requirements set forth in this Agreement. Any resulting fractional shares shall be rounded up to the nearest whole share; provided, that you may not vest in more than the number of Restricted Stock Units set forth on the cover sheet of this Agreement. Except as provided in this Agreement, or in any other agreement between you and the Company, no additional Restricted Stock Units will vest after your Service has terminated.

**Share Delivery Pursuant to Vested  
Restricted Stock Units; Withholding Tax**

Shares of Stock underlying the vested portion of the Restricted Stock Units will be delivered to you by the Company as soon as practicable following the applicable vesting date for those shares, but in no event beyond 2½ months after the end of the calendar year in which the shares would have been otherwise delivered.

On the vesting date (or as soon as practicable thereafter), a brokerage account in your name will be credited with shares of Stock representing the number of shares that vested under this grant (the "Vested Shares"). If the vesting date is not a trading day, the Vested Shares will be delivered on the next trading day. The Company will determine the number of the Vested Shares necessary to cover the amount of federal, state, local, and foreign taxes that the Company is required to withhold with respect to the Restricted Stock Unit vesting, rounding up to the nearest whole Share of Stock (the "Withholding Shares").

By accepting this award of Restricted Stock Units, you irrevocably (i) instruct the Company to deliver the Vested Shares to your account; and (ii) authorize and direct the broker, to sell, on your behalf, the Withholding Shares at the market price per share at the time of such sale and to deliver the proceeds to the Company to be used to fund the payment

of the withholding taxes. You further acknowledge that this irrevocable written instruction is intended to constitute an instruction pursuant to Rule 10b5-1 of the Exchange Act. The Company shall be responsible for the payment of any brokerage commissions relating to the sale of the Withholding Shares.

You acknowledge that until the first trading day following the broker's sale of the Withholding Shares, you shall not be entitled to effect transactions in the net Vested Shares credited to your brokerage account.

The purchase price for the Vested Shares is deemed paid by your prior services to the Company.

**Forfeiture of Unvested Restricted Stock Units**

Except as specifically provided in this Agreement or as may be provided in other agreements between you and the Company, no additional Restricted Stock Units will vest after your Service has terminated for any reason, and you will forfeit to the Company all of the Restricted Stock Units that have not yet vested or with respect to which all applicable restrictions and conditions have not lapsed upon such termination of your Service.

**Deferral of Compensation**

Delivery of shares underlying any award of Restricted Stock Units and treatment hereunder shall be subject to any deferral election validly made by eligible participants under the Ciena Corporation Deferred Compensation Plan or any successor plan.

**Death**

If your Service terminates because of your death, the unvested Restricted Stock Units granted under this Agreement shall accelerate and become immediately vested in full upon the date of your death.

**Disability**

If your Service terminates because of your Disability, the unvested Restricted Stock Units granted under this Agreement shall accelerate and become immediately vested in full upon your termination on account of Disability.

**Retirement**

If your Service terminates because of your retirement (in accordance with such guidelines as approved by the Board), on or after the first anniversary of the Grant Date, the unvested Restricted Stock Units granted under this Agreement shall accelerate and become immediately vested in full upon the date of your retirement.

**Corporate Transaction**

Upon or in connection with a Corporate Transaction, your unvested Restricted Stock Units shall accelerate and become immediately vested in full upon the effective date of the Corporate Transaction.

**Termination For Cause**

If your Service is terminated for Cause, then you shall immediately forfeit all rights to your Restricted Stock Units, and this award shall immediately terminate.

### **Leaves of Absence**

For purposes of this grant, your Service does not terminate when you go on a *bona fide* leave of absence approved by the Company, if the terms of your leave provide for continued Service crediting, or when continued Service crediting is required by Applicable Law. The Company will determine, in its sole discretion, whether and when a leave of absence constitutes a termination of Service under the Plan.

### **Retention Rights**

Neither your Restricted Stock Units nor this Agreement give you the right to be retained by the Company or any Affiliate in any capacity, and your Service may be terminated at any time and for any reason.

### **Shareholder Rights**

You have no rights as a shareholder unless and until the shares of Stock relating to the Restricted Stock Units have been issued to you (or an appropriate book entry has been made). Except as described in the Plan or herein, no adjustments are made for dividends or other rights if the applicable record date occurs before your shares of Stock are issued (or an appropriate book entry has been made).

If the Company pays a dividend on its shares of Stock, you will, however, be entitled to receive a cash payment equal to the per-share dividend paid on the shares of Stock times the number of Restricted Stock Units that you hold as of the record date for the dividend; provided, however, such Dividend Equivalent Rights shall not vest or become payable unless and until the Restricted Stock Units to which the Dividend Equivalent Rights correspond become vested and nonforfeitable pursuant to this Agreement or the Plan.

### **Applicable Law**

The Restricted Stock Units and the provisions of this Agreement are governed by, and subject to, the laws of the State of Delaware, without regard to the conflict of law provisions.

For purposes of litigating any dispute that arises under this award or the Agreement, the parties hereby submit to and consent to the jurisdiction of the State of Delaware, and agree that such litigation shall be conducted in the state courts of Delaware, or the federal courts for the District of Delaware, and no other courts, where this grant is made and/or to be performed. ***You agree to waive your rights to a jury trial for any claim or cause of action based upon or arising out of this Agreement or the Plan.***



**Data Privacy**

In order to administer the Plan, the Company may process personal data about you. Such data includes the information provided in this Agreement, other appropriate personal and financial data about you, such as home address, email address and business addresses and other contact information, payroll information, social security or social insurance number, passport number or other identification number, and any other information deemed appropriate by the Company to facilitate the administration of the Plan.

By accepting this Restricted Stock Unit award, you consent to the Company's processing of such personal data and the transfer of such data outside the country in which you work or are employed, including, with respect to non-U.S. residents, to the United States, to transferees who shall include the Company and other persons designated by the Company to administer the Plan.

**Consent to Electronic Delivery**

Certain statutory materials relating to the Plan have been delivered to you in electronic form. By accepting this grant, you consent to electronic delivery and acknowledge receipt of these materials, including the Plan and Plan prospectus.

**Non-U.S. Residents**

If you are a non-U.S. resident, additional terms and conditions with respect to your award may apply as set forth on the Stock Administration page of the MyCiena intranet.

*This Agreement is not a stock certificate or a negotiable instrument.*

**CIENA CORPORATION  
2017 OMNIBUS INCENTIVE PLAN**

**PERFORMANCE STOCK UNIT AGREEMENT**

Ciena Corporation, a Delaware corporation, (the “Company”), hereby grants performance stock units relating to shares of its common stock, \$0.01 par value (the “Stock”), to the individual named below as the Grantee, subject to the performance and vesting and other terms and conditions set forth in this Performance Stock Unit Agreement, including the attached terms and conditions and any appendix attached hereto (together, the “Agreement”). This grant is subject to the terms and conditions set forth in (i) this Agreement, (ii) the Ciena Corporation 2017 Omnibus Incentive Plan (the “Plan”) and (iii) the grant details for this award contained in your account with the Company’s selected broker. Capitalized terms not defined in this Agreement are defined in the Plan, and have the meaning set forth in the Plan.

Grant Date: \_\_\_\_\_

Grant Number: \_\_\_\_\_

Name of Grantee: \_\_\_\_\_

Grantee's Employee Identification Number: \_\_\_\_\_

Number of Performance Stock Units Covered by Grant: \_\_\_\_\_

***By accepting this grant (whether by signing this Agreement or accepting the grant electronically via the website of the Company’s selected broker), you agree to the terms and conditions in this Agreement and in the Plan and agree that the Plan will control in the event any provision of this Agreement should appear to be inconsistent unless otherwise stated herein.***

Grantee: \_\_\_\_\_  
(Signature)

Ciena Corporation: \_\_\_\_\_  
Name: David M. Rothenstein  
Title: Senior Vice President, General Counsel and Secretary

**CIENA CORPORATION  
2017 OMNIBUS INCENTIVE PLAN**

**PERFORMANCE STOCK UNIT AGREEMENT  
TERMS AND CONDITIONS**

**Performance Stock Unit Transferability**

This grant is an award of performance stock units in the number of units set forth on the first page of this Agreement (or, in the case of electronic delivery, as set forth in the grant details for this Award set forth in the Company's selected broker's website), subject to the performance and vesting conditions described in this Agreement ("Restricted Stock Units"). Your Restricted Stock Units may not be transferred, assigned, pledged or hypothecated, whether by operation of Applicable Law or otherwise, nor may the Restricted Stock Units be made subject to execution, attachment or similar process.

**Performance Earning**

All or a portion of your Restricted Stock Units may be earned during the Company's fiscal year 2017 (the "Performance Period") based on the Company's achievement of the performance goals set forth in Appendix A to this Agreement.

The number of Restricted Stock Units issuable under this award may be increased by up to 100% of the grant amount if and to the extent that the goals in Appendix A are exceeded in accordance with the embedded tables set forth therein.

The Compensation Committee of the Board of Directors will determine, in its sole and absolute discretion, whether (and to what extent) the performance goals have been met and, based on that determination, the number of Restricted Stock Units that have been earned during the Performance Period.

Any portion of your Restricted Stock Units that is not earned by the end of the Performance Period will be forfeited.

**Vesting**

If Restricted Stock Units are earned during the Performance Period, the aggregate number of such earned Restricted Stock Units shall vest in three equal installments (each approximately one-third of the aggregate earned Restricted Stock Units) on December 20, 2017, December 20, 2018 and December 20, 2019 (each a "Vesting Date"), provided you remain in Service through the Vesting Date. Any resulting fractional shares shall be rounded up to the nearest whole share; provided, that you may not vest in more than the number of Performance Stock Units set forth on the cover sheet of this Agreement. Any earned but unvested Restricted Stock Units will be forfeited in their entirety in the event that you cease to be employed by the Company for any reason prior to a Vesting Date.

**Share Delivery Pursuant to Vested  
Restricted Stock Units;  
Tax-Related Items**

Shares of Stock underlying the vested portion of the Restricted Stock Units will be delivered to you by the Company as soon as practicable following the applicable vesting date for those shares of Stock, but in no event beyond 2½ months after the end of the calendar year in which the shares would have been otherwise delivered. On the vesting date (or as soon as practicable thereafter), a brokerage account in your name will be credited with shares of Stock representing the number of shares that vested under this grant (the “Vested Shares”). If the vesting date is not a trading day, Vested Shares will be delivered on the next trading day (or as soon as practicable thereafter).

Regardless of any action the Company or the Affiliate to whom you provide Services (the “Employer”) takes with respect to any or all income tax, social insurance, payroll tax, payment on account or other tax-related items related to the Restricted Stock Units and/or your participation in the Plan and legally applicable to you (“Tax-Related Items”), you acknowledge that the ultimate liability for all Tax-Related Items is and remains your responsibility and may exceed the amount actually withheld by the Company or the Employer, if any. You further acknowledge that the Company and/or the Employer (1) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Restricted Stock Units, including, but not limited to, the grant, vesting or settlement of the Restricted Stock Units, the issuance of shares of Stock upon settlement of the Restricted Stock Units, the subsequent sale of shares of Stock acquired pursuant to such issuance and the receipt of any dividends and/or any dividend equivalents; and (2) do not commit to and are under no obligation to structure the terms of the award or any aspect of the Restricted Stock Units to reduce or eliminate your liability for Tax-Related Items or achieve any particular tax result. Further, if you have become subject to tax in more than one jurisdiction, you acknowledge that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

By accepting this award, you agree to establish a brokerage account with the Company’s designated broker and irrevocably (i) instruct the Company to deliver the Vested Shares to your account with such broker, or its agents; and (ii) authorize and direct the Company and its broker, or their respective agents, in their discretion, to effect a mandatory sale (“Automatic Sale”), on your behalf, of such portion of the Vested Shares that the Company determines is necessary to satisfy Tax-Related Items (the “Withholding Shares”), with such sale to be effected at the market price per share of Stock at the time of such sale, and (iii) expressly consent to the delivery of the proceeds of the sale of Withholding Shares to the Company, or its agents, to be used as it determines advisable for purposes of funding any applicable Tax-Related Items (whether on behalf of the Company or you as award holder or Plan participant) with respect to the Restricted Stock Units and your participation in the Plan. You further acknowledge that this irrevocable written instruction is intended to constitute an instruction pursuant to Rule 10b5-1 of the Exchange Act with the Automatic Sale intended to comply with these requirements. As such, all provisions

hereof shall be interpreted consistent with Rule 10b5-1 and shall be automatically modified to the extent necessary to comply therewith.

The Company shall be responsible for the payment of any brokerage commissions relating to the sale of the Withholding Shares.

You acknowledge that until the first trading day following the broker's sale of the Withholding Shares, you shall not be entitled to effect transactions in the net Vested Shares, net of any Withholding shares, credited to your brokerage account.

The Company may withhold or account for Tax-Related Items by considering applicable minimum statutory withholding rates or other applicable withholding rates, including maximum applicable rates to the extent permitted by the Plan, in which case you may receive a refund of any over-withheld amount in cash and will have no entitlement to the Stock equivalent. For tax purposes, you are deemed to have been issued the full number of shares of Stock subject to the Vested Shares, notwithstanding that a number of the shares of Stock have been sold, or otherwise withheld, for the purpose of paying the Tax-Related Items due as a result of any aspect of your participation in the Plan.

By accepting this award you agree to pay to the Company or the Employer, including through withholding from your wages or other cash compensation paid to you by the Company and/or the Employer, any amount of Tax-Related Items that the Company or the Employer may be required to withhold or account for as a result of your participation in the Plan that cannot be satisfied by the means of the Automatic Sale. The Company may refuse to issue or deliver the shares of Stock or the proceeds of the sale of shares of Stock, if you fail to comply with your obligations in connection with the Tax-Related Items.

**Forfeiture of Unvested Restricted Stock Units**

Except as specifically provided in this Agreement or as may be provided in other agreements between you and the Company, no additional Restricted Stock Units will vest after your Service has terminated for any reason and you will forfeit to the Company all of the Restricted Stock Units that have not yet vested or with respect to which all applicable restrictions and conditions have not lapsed upon such termination of your Service.

**Deferral of Compensation**

Delivery of shares underlying any award of Restricted Stock Units and treatment hereunder shall be subject to any deferral election validly made by eligible participants under the Ciena Corporation Deferred Compensation Plan or any successor plan

**Death**

If your Service terminates because of your death, the Restricted Stock Units earned, but not yet vested, under this Agreement will automatically vest as to the number of Restricted Stock Units earned prior to the date of death.

<b>Disability</b>	If your Service terminates because of your Disability, the Restricted Stock Units earned, but not yet vested under this Agreement will automatically vest as to the number of Restricted Stock Units earned prior to the date of Disability.
<b>Termination For Cause</b>	If your Service is terminated for Cause, then you shall immediately forfeit all rights to your Restricted Stock Units, whether or not previously earned, and this award shall immediately terminate.
<b>Leaves of Absence</b>	For purposes of this grant, your Service does not terminate when you go on a <i>bona fide</i> leave of absence approved by the Company, if the terms of your leave provide for continued Service crediting, or when continued Service crediting is required by Applicable Law. The Company will determine, in its sole discretion, whether and when a leave of absence constitutes a termination of Service under the Plan.
<b>Retention Rights</b>	Neither your Restricted Stock Units nor this Agreement give you the right to be retained by the Company, the Employer or any Affiliate in any capacity and your Service may be terminated at any time and for any reason.
<b>Shareholder Rights</b>	<p>You have no rights as a shareholder unless and until the shares of Stock relating to the Restricted Stock Units have been issued to you (or an appropriate book entry has been made). Except as described in the Plan or herein, no adjustments are made for dividends or other rights if the applicable record date occurs before your shares of Stock are issued (or an appropriate book entry has been made).</p> <p>If the Company pays a dividend on its Stock, you will, however, be entitled to receive a cash payment equal to the per-share dividend paid on the Stock times the number of vested Restricted Stock Units that you hold as of the record date for the dividend; provided, however, such Dividend Equivalent Rights shall not vest or become payable unless and until the Restricted Stock Units to which the Dividend Equivalent Rights correspond become vested and nonforfeitable pursuant to this Agreement or the Plan.</p>

## Nature of Grant

In accepting the award and the Restricted Stock Units, you acknowledge, understand and agree that:

(1) the Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time;

(2) the grant of the Restricted Stock Units is voluntary and occasional and does not create any contractual or other right to receive future grants of Restricted Stock Units, or benefits in lieu of Restricted Stock Units, even if Restricted Stock Units have been granted in the past;

(3) all decisions with respect to future Restricted Stock Unit grants, if any, will be at the sole discretion of the Company;

(4) your participation in the Plan is voluntary;

(5) the Restricted Stock Units and the shares of Stock subject to the Restricted Stock Units, and the income from and value of such Restricted Stock Units, are not intended to replace any pension rights;

(6) the Restricted Stock Units and the shares of Stock subject to the Restricted Stock Units, and the income from and value of such Restricted Stock Units, are not part of normal or expected compensation for purposes of calculating any severance, resignation, termination, redundancy, dismissal, end of Service payments, bonuses, holiday pay, long-service awards, pension or retirement or welfare benefits or similar payments;

(7) the Restricted Stock Unit grant and your participation in the Plan will not be interpreted to form or amend a Service contract or relationship with the Company, the Employer or any Affiliate;

(8) the future value of the underlying shares of Stock is unknown and cannot be predicted with certainty;

(9) no claim or entitlement to compensation or damages shall arise from forfeiture of the Restricted Stock Units resulting from termination of your Service relationship with the Company or the Employer (for any reason whatsoever and whether or not in breach of contract or local employment laws in the country where you reside, even if otherwise applicable to your employment benefits from the Employer, and/or later found to be invalid), and in consideration of the grant of the Restricted Stock Units, you irrevocably agree never to institute any claim against the Company, the Employer or any Affiliate, waive your ability, if any, to bring any such claim, and release the Company, the Employer and any Affiliate from any such claim; if, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by accepting this award of Restricted Stock Units, you shall be deemed irrevocably to have agreed not to pursue such claim and agree to execute any and all documents necessary to request dismissal or withdrawal of such claims;

(10) in the event of termination of your Service relationship (whether or not in breach of contract or local employment laws in the country where you reside, even if otherwise applicable to your employment benefits from the Employer, and/or later found to be invalid), your right to vest in the Restricted Stock Units under the Plan, if any, will terminate effective as of the date that you are no longer actively providing Services to the Company, the Employer or any Affiliate as a Service Provider and will not be extended by any notice period mandated under local law (e.g., active Service as a Service Provider would not include a period of “garden leave” or similar period); the Committee shall have the exclusive discretion to determine when you are no longer actively providing Services for purposes of your Restricted Stock Units grant;

(11) the Restricted Stock Units and the benefits evidenced by this Agreement do not create any entitlement, not otherwise specifically provided for in the Plan or by the Company in its discretion, to have the Restricted Stock Units or any such benefits transferred to, or assumed by, another company, nor to be exchanged, cashed out or substituted for, in connection with any corporate transaction affecting the Stock (including a Corporate Transaction);

12) unless otherwise agreed with the Company, the Restricted Stock Units and the shares of Stock subject to the Restricted Stock Units, and the income from and value of same, are not granted as consideration for, or in connection with, the service you may provide as a director of an Affiliate of the Company; and

(13) the following provisions apply only if you are providing Services outside the United States:

(A) the Restricted Stock Units and the shares of Stock subject to the Restricted Stock Units, and the income from and value of such Restricted Stock Units, are not part of normal or expected compensation or salary for any purpose and in no event should be considered as compensation for, or relating in any way to, past Services for the Company, the Employer or any Affiliate; and

(B) you acknowledge and agree that neither the Company, the Employer nor any Affiliate shall be liable for any foreign exchange rate fluctuation between the Employer’s local currency and the United States dollar that may affect the value of any proceeds from the sale of shares of Stock acquired under the Plan.



**Forfeiture: Recoupment**

This Award shall be subject to mandatory repayment by the Grantee to the Company (i) to the extent set forth in the Plan or this Award Agreement or (ii) to the extent the Grantee is, or in the future becomes, subject to (A) any Company or Affiliate “clawback” or recoupment policy that is adopted by the Company, including to comply with the requirements of Applicable Law, or (B) any Applicable Law that imposes mandatory recoupment, under circumstances set forth in such Applicable Law.

**Data Privacy**

*You hereby explicitly and unambiguously consent to the collection, use and transfer, in electronic or other form, of your personal data as described in this Agreement and any other Restricted Stock Unit grant materials by and among, as applicable, the Employer, the Company and its Affiliates for the exclusive purpose of implementing, administering and managing your participation in the Plan.*

*You understand that the Company and the Employer may hold certain personal information about you, including, but not limited to, your name, home address, email address and telephone number, date of birth, social security or social insurance number, passport number or other identification number, salary, nationality, job title, any shares of Stock or directorships held in the Company, details of all Restricted Stock Units or any other entitlement to shares of Stock awarded, canceled, exercised, vested, unvested or outstanding in your favor, for the exclusive purpose of implementing, administering and managing the Plan (“Data”).*

*You understand that Data will be transferred to E\*Trade Financial Services, Inc., or such other stock plan service provider as may be selected by the Company in the future, which is assisting the Company with the implementation, administration and management of the Plan.*

*You understand that the recipients of the Data may be located in the United States or elsewhere, and that the recipients’ country (e.g., the United States) may have different data privacy laws and protections than your country.*

*You understand that you may request a list with the names and addresses of any potential recipients of the Data by contacting your local human resources representative.*

*You authorize the Company, E\*Trade Financial Services, Inc. and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purpose of implementing, administering and managing your participation in the Plan.*

*You understand that Data will be held only as long as is necessary to implement, administer and manage your participation in the Plan.*

*You understand that you may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing your local human resources representative or the Company's stock administration department. Further, you understand that you are providing the consents herein on a purely voluntary basis.*

*If you do not consent, or if you later revoke your consent, your employment status or Service with the Employer will not be affected; the only consequence of refusing or withdrawing your consent is that the Company would not be able to grant Restricted Stock Units or other equity awards to you or administer or maintain such awards.*

*Therefore, you understand that refusing or withdrawing your consent may affect your ability to participate in the Plan.*

*For more information on the consequences of your refusal to consent or withdrawal of consent, you understand that you may contact your local human resources representative or the Company's stock administration department.*

**No Advice Regarding Grant**

The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding your participation in the Plan, or your acquisition or sale of the Stock underlying your Restricted Stock Units. You are hereby advised to consult with your own personal tax, legal and financial advisors regarding your participation in the Plan before taking any action related to the Plan.

**Applicable Law and Venue**

The Restricted Stock Units and the provisions of this Agreement are governed by, and subject to, the laws of the State of Delaware, without regard to the conflict of law provisions.

For purposes of litigating any dispute that arises under this award or the Agreement, the parties hereby submit to and consent to the jurisdiction of the State of Delaware, and agree that such litigation shall be conducted in the state courts of Delaware, or the federal courts for the District of Delaware, and no other courts, where this grant is made and/or to be performed. ***You agree to waive your rights to a jury trial for any claim or cause of action based upon or arising out of this Agreement or the Plan.***

**Language**

If you have received this Agreement or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

**Electronic Delivery and Acceptance**

The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means or request your consent to participate in the Plan by electronic means. You hereby consent to receive such documents by electronic delivery and agree to participate in the Plan through an on-line or electronic system established and maintained by the Company, the Company's designated broker, or their respective third parties. If you fail to submit a written rejection of this award to the Company's Stock Administration Department prior to the date on which this award initially vests, this award shall be deemed accepted by you and the terms of this award and the Plan shall apply to the same extent as if you had accepted your award electronically via the website of the Company's selected broker.

**Severability**

The provisions of this Agreement are severable, and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

**Waiver**

You acknowledge that a waiver by the Company of breach of any provision of this Agreement shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach of this Agreement.

**Foreign Account / Assets Reporting and Exchange Controls**

Depending upon the country to which laws you are subject, you may have certain foreign asset and/or account reporting requirements and exchange controls which may affect your ability to acquire or hold shares of Stock under the Plan or cash received from participating in the Plan (including from any dividends received or sale proceeds arising from the sale of shares of Stock) in a brokerage or bank account outside your country of residence. Your country may require that you report such accounts, assets or transactions to the applicable authorities in your country. You may be required to repatriate sale proceeds or other funds received as a result of your participation in the Plan to your country through a designated bank or broker within a certain time after receipt. You are responsible for knowledge of and compliance with any such regulations and should speak with your own personal tax, legal and financial advisors regarding the same.

**Insider Trading / Market Abuse Laws**

You acknowledge that, depending on your country, you may be subject to insider trading restrictions and/or market abuse laws, which may affect your ability to acquire or sell shares of Stock or rights to shares of Stock (e.g., Restricted Stock Units) under the Plan during such times as you are considered to have "inside information" regarding the Company (as defined by the laws in your country). Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable insider trading policy of the Company. You acknowledge that it is your responsibility to comply with any applicable restrictions, and you should consult with your own personal legal and financial advisors on this matter.

## **Imposition of Other Requirements**

The Company reserves the right to impose other requirements on your participation in the Plan, on the award, on the Restricted Stock Units, and on any shares of Stock acquired under the Plan, to the extent the Company determines it is necessary or advisable for legal or administrative reasons, and to require you to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

## **Canadian Residents**

With respect to Canadian residents only:

*Restricted Stock Units Payable Only in Shares of Stock.* Notwithstanding any discretion in the Plan or the Agreement to the contrary, Restricted Stock Units granted in Canada shall be paid in shares of Stock only and do not provide any right for you to receive a cash payment.

*The following provisions will apply if you are a resident of Quebec:*

*Language Consent.* The parties acknowledge that it is their express wish that the Agreement, as well as all documents, notices and legal proceedings entered into, given or instituted pursuant hereto or relating directly or indirectly hereto, be drawn up in English.

*Les parties reconnaissent avoir exigé la rédaction en anglais de cette convention, ainsi que de tous documents, avis et procédures judiciaires, exécutés, donnés ou intentés en vertu de, ou liés directement ou indirectement à, la présente convention.*

*Data Privacy.* This provision supplements the Data Privacy section of the Agreement: the Plan to record such information and to keep such information in your employee file.

You hereby authorize the Company and the Company's representatives to discuss with and obtain all relevant information from all personnel, professional or not, involved in the administration and operation of the Plan. You further authorize the Company, the Employer, any Affiliate and the administrator of the Plan to disclose and discuss the Plan with their advisors. You further authorize the Company, the Employer, any Affiliate and the administrator of the Plan to record such information and to keep such information in your employee file.

### *Notifications*

*Securities Law Information.* You are permitted to sell shares of Stock acquired through the Plan through the designated broker appointed under the Plan, if any, provided the resale of shares of Stock acquired under the Plan takes place outside of Canada through the facilities of a stock exchange on which the Stock is listed. Currently, the Stock is listed on the New York Stock Exchange.

*Foreign Account / Assets Reporting Information.* Foreign property, including Restricted Stock Units, shares of Stock acquired under the Plan and other rights to receive shares (e.g., Restricted Stock Units) of a non-Canadian company held by a Canadian resident must generally be reported annually on a Form T1135 (Foreign Income Verification Statement) if the total cost of the foreign property exceeds C\$100,000 at any time during the year. Thus, such Restricted Stock Units must be reported - generally at a nil cost - if the C\$100,000 cost threshold is exceeded because other foreign property is held by you. When shares of Stock are acquired, their cost generally is the adjusted cost base ("ACB") of the shares. The ACB would ordinarily equal the fair market value of the shares at the time of acquisition, but if you own other shares of the same company, this ACB may have to be averaged with the ACB of the other shares. You should consult with your personal tax advisor to determine your reporting requirements.

***This Agreement is not a stock certificate or a negotiable instrument.***