

## **Polycom, Inc.**

### **Policy For Preapproving Services and Fees of the Company's Independent Auditor**

#### **Scope:**

This document describes the process under which Polycom's Audit Committee will approve all audit and non-audit services of its independent auditors, including the principal independent auditor, PricewaterhouseCoopers, and any other auditor performing a statutory audit for a foreign subsidiary.

#### **Process:**

Polycom's Audit Committee must preapprove all services and associated fees provided to Polycom and its consolidated subsidiaries by the company's independent auditor. In evaluating services associated with this preapproval process, the following guidelines will be used to avoid situations that will affect the independence of Polycom's independent auditor:

- Polycom's auditor cannot audit his or her own work;
- Polycom's auditor cannot function as a part of management; and
- Polycom's auditor cannot serve in an advocacy role for Polycom.

Consistent with the rules of the United States Securities and Exchange Commission (SEC), proposed services provided by Polycom's auditor will be evaluated by grouping the services fees under one of the following four categories: (1) Audit Service Fees, (2) Audit-Related Service Fees, (3) Tax Service Fees, and (4) All Other Service Fees. For purposes of assigning proposed services into one of these categories, the following definitions are provided:

- (1) Audit Services are services necessary only to complete the basic audit, sign the audit opinion and perform the required quarterly reviews. This category is intended to include those services specifically required under United States Generally Accepted Auditing Standards. This category would also include services that generally only the auditor can reasonably provide such as comfort letters, statutory audits, attest services, consents and assistance with and review of documents filed with the SEC. This work is typically done by the audit engagement team.
- (2) Audit-Related Services are assurance and related services that are traditionally performed by the independent auditor. These services would include employee benefit plan audits, due diligence related to mergers and acquisitions, accounting assistance and audits in connection with proposed or consummated acquisitions, internal control reviews and associated recommendations for improvement, and consultations concerning financial accounting and reporting standards and implications on Polycom.
- (3) Tax Services would include tax compliance, consultation and planning services provided by the professional staff in the independent auditor's tax division. Tax compliance services generally involve preparation of original and amended tax

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returns, claims for refund and tax payment-planning services. Tax consultation and tax planning services encompass a diverse range of services and generally include assistance and representation in connection with tax audits and appeals, tax advice related to mergers and acquisitions, employee benefit plans, requests for rulings or technical advice from taxing authorities and assistance with collecting data for tax audits.

- (4) All Other Services would include services that do not fit into the definitions of the three previous categories.

All proposed services to be performed by the independent auditors shall be discussed and approved at audit committee meetings for which there is a quorum of audit committee members. The audit committee will delegate to one audit committee member the authority to preapprove a service provided by Polycom's independent auditor for cases where there is a need to get preapproval on a time urgent basis. In cases where the delegate preapproves a service provided by the independent auditor, approval shall be documented either by signature on a hard copy document or by an email and this service must still be discussed and ratified at the next audit committee meeting. In all cases where approval is sought, the audit committee shall have available a schedule of fees approved to date by category for the current and prior years for reference.

The information presented to the audit committee relating to a proposed service should be sufficiently detailed so that the audit committee is informed about the particular service to be provided.

#### Prohibited Services

The following services are considered to be in conflict with the three guidelines listed above and, therefore, will not be provided by Polycom's auditor:

- bookkeeping or other services related to the accounting records or financial statements of Polycom;
- financial information systems design and implementation;
- appraisal or valuation services, fairness opinions, or contribution-in-kind reports;
- actuarial services;
- internal audit outsourcing services;
- management functions or human resources;
- broker or dealer, investment adviser, or investment banking services;
- legal services and expert services unrelated to the audit; and
- any other service that the Public Company Accounting Oversight Board (PCAOB) determines, by regulation, is impermissible.

In addition, Polycom will not engage such independent auditor to perform services that fall within the All Other Services category if, by performing this service, the auditor's independence is impaired or creates a conflict with the guidelines specified above. Hence, it is Polycom's desire to eliminate or minimize engaging its independent auditors

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to perform services for Polycom that fall within the All Other Services category. Polycom may also be prohibited from using the company's independent auditor for any service as resolved by the audit committee.

Note: An exemption may be granted by the PCAOB for Polycom's independent auditor to provide the exempted services listed above as allowed by Section 10A of the Securities Exchange Act of 1934, as amended by Section 201 of the Sarbanes-Oxley Act of 2002.

#### Discussion Schedule

The following schedule sets the Audit Committee meeting date in which certain specified services performed by the independent auditor shall be discussed:

<u>Service</u>	<u>Category</u>	<u>Meeting Date</u>
Annual audit of the current year's financial statements	Audit	October
Quarterly reviews for the upcoming year	Audit	January
Sales order testing for the upcoming year	Audit	January
Statutory audits for the prior year's statutory financial statements	Audit	January
Estimated consultation concerning financial accounting and reporting standards	Audit-Related	January
Domestic and international tax compliance services (VAT, GST, etc.)	Tax	January
Estimated tax consultation services	Tax	January

Updates to the timing and fees of these proposed services will be discussed at the subsequent audit committee meetings. All other services will be scheduled on an as-needed basis.

#### Reporting

Management shall provide the Audit Committee with quarterly reports of all service fees by category incurred from Polycom's independent auditor during the current fiscal year together with forecasts of additional services anticipated during the remainder of the year. These current year figures shall be shown with comparable figures for the prior year for reference.

#### Time Urgent Services Exception

From time to time, Polycom's independent auditor may be engaged to perform services for the Company on a time urgent basis. For this purpose, the Audit Committee preapproves services to be performed by the independent auditor up to \$50,000 so long as the services would not be prohibited by the guidelines of this policy. This service should promptly be presented to the Audit Committee or its designated representative for approval no later than the next scheduled Audit Committee meeting.

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**Review:**

Polycom shall review this process regularly to ensure it is consistent with current legislation and rules of the SEC.