



**Prospectus for the offer to Infinera's employees in Sweden  
to participate in the 2007 Employee Stock Purchase Plan**

***July 19, 2018***

This Prospectus has been prepared and is made available solely for the purpose of the offer to Infinera's employees in Sweden to participate in the 2007 Employee Stock Purchase Plan. Distribution of this Prospectus is subject to restrictions in other jurisdictions, please see "*Important information.*"

## Important information

For certain definitions used in this prospectus, please see “Certain definitions” on the next page.

This Prospectus has been approved and registered by the Swedish Financial Supervisory Authority (*Sw. Finansinspektionen*) (the “SFS”) in accordance with Chapter 2, sections 25 and 26 of the Swedish Financial Instruments Trading Act (SFS 1991:980) (*Sw. lagen (1991:980) om handel med finansiella instrument*) (the “Trading Act”) and the short-form disclosure regime for offers to employees in those cases where a prospectus is required as set out in Question 71 of the European Securities and Market Authority’s (“ESMA”) Questions and Answers Prospectuses 28<sup>th</sup> updated version – March 2018 (the “Prospectus Q&A”). Approval and registration by the SFS does not imply that the SFS guarantees that the information in the prospectus is accurate or complete.

This Prospectus is governed by Swedish law, whereas the Purchase Plan is governed by the laws of the State of California.

This Prospectus has been prepared and is made available solely for the purpose of the Offers to Infinera’s employees in Sweden to participate in the Purchase Plan. The information in the Prospectus is only provided in contemplation of the Offers and may not be used for any other purpose. Consequently, this Prospectus is not addressed to persons in, and the Prospectus may not be published or distributed in or into, any country or other jurisdiction where such action would require additional prospectuses, registration or measures besides those required by Swedish law, or otherwise would be in conflict with applicable regulations. Any failure to comply with such restrictions may result in a violation of applicable securities regulations.

Certain risks apply when investments in shares are made (see the section entitled “Risk factors”). Eligible employees making an investment decision must rely on their own analysis of Infinera and the offering in accordance with this Prospectus, including the merits and risks involved. Eligible employees may only rely on the information in this Prospectus and any possible supplements to this prospectus. No person is authorized to provide any information or make any statements other than those made in this Prospectus. Should such information or statement nevertheless be provided or be made it should not be considered to have been approved by Infinera, and Infinera is not responsible for such information or statements.

Neither the publication of this Prospectus nor any transaction made in respect of it shall be deemed to imply that the information in this Prospectus is accurate or applicable at any time other than on the date of the publication of this Prospectus or that there have been no changes in Infinera’s business since this date. If significant changes relating to the information contained in this Prospectus occur, such changes will be announced in accordance with the provisions on prospectus supplements under the Trading Act.

### Forward-looking statements

The Prospectus contains certain forward-looking statements. Forward-looking statements generally relate to future events or future financial or operating performance. In some cases, these statements can be identified by the use of forward-looking terminology such as “expects,” “intends,” “target,” “projects,” “contemplates,” “plans,” “seeks,” “estimates,” “could,” “should,” “feels,” “believes,” “will,” “would,” “may,” “can,” “anticipates,” “potential” and similar expressions or the negative of these terms. Such forward-looking statements are subject to risks and uncertainties that may cause the actual results, performance or achievements of Infinera, or industry results, to be materially different from those expressed or implied by such forward-looking statements. Important factors that could cause Infinera’s actual results to differ include, but are not limited to, those risks and uncertainties that are described in the section entitled “Risk factors.” Any or all of the forward-looking statements in this Prospectus may turn out to be inaccurate and may be affected by inaccurate assumptions or by known or unknown risks and uncertainties. In light of these risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this Prospectus may not occur as contemplated, and actual results could differ materially from those anticipated or implied by the forward-looking statements. Infinera assumes no obligation to update any such forward-looking statements, except as specifically required by law. Infinera cautions readers not to place considerable reliance on the forward-looking statements contained in this Prospectus.

An Annual Report on Form 10-K was filed by Infinera with the U.S. Securities and Exchange Commission (the “SEC”) on February 28, 2018, and other materials have been filed with the SEC and are publicly available, including Infinera’s Quarterly Reports on Form 10-Q filed throughout 2018. These reports contain information about the proposed Purchase Plan, including risk factors related thereto. Readers who wish to obtain more information about Infinera’s risk factors related thereto should read Infinera’s most recently filed Quarterly Report on Form 10-Q filed by Infinera with the SEC on May 10, 2018.

### Presentation of financial information

Certain financial and other information presented in this Prospectus has been rounded off in order to make the information more accessible for the reader. Consequently, in certain columns the numbers do not exactly correspond to the stated total amount.

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**This Prospectus has been prepared in accordance with the short-form disclosure regime for offers to employees in those cases where a prospectus is required as set out in Question 71 of ESMA's Prospectus Q&A.**

### Certain definitions

<b>Infinera</b>	means Infinera Corporation or, depending on the context, the group of which Infinera is the parent company.
<b>The Purchase Plan</b>	means the Infinera Corporation 2007 Employee Stock Purchase Plan (as amended and restated on May 24, 2018).
<b>The Offers</b>	means the offers to Infinera's employees in Sweden to participate in the Purchase Plan in accordance with the terms specified in this Prospectus.
<b>The Prospectus</b>	means this prospectus, dated July 19, 2018, which has been prepared in connection with the Offers.
<b>Shares</b>	means shares of Infinera common stock.
<b>SEK, EUR and USD/\$</b>	means Swedish kronor, euro and U.S. dollars, respectively, ( <b>M</b> means millions).

## SAMMANFATTNING

Detta är en översättning av avsnittet “*Summary*”. Vid eventuell avvikelse mellan språkversionerna ska den engelska originalversionen ha företräde. Investerarare bör därför även ta del av prospektet i dess helhet på originalspråket innan något investeringsbeslut fattas.

Prospektsammanfattningar består av informationskrav uppställda i “punkter”. Punkterna är numrerade i avsnitten A–E (A.1–E.7).

Sammanfattningen i detta prospekt innehåller alla de punkter som krävs i en sammanfattning för aktuell typ av värdepapper och emittent. Eftersom vissa punkter inte är tillämpliga för alla typer av prospekt kan det dock finnas luckor i punkternas numrering.

Även om det krävs att en punkt inkluderas i sammanfattningen för aktuell typ av värdepapper och emittent, är det möjligt att ingen relevant information kan ges rörande punkten. Informationen har då ersatts med en kort beskrivning av punkten tillsammans med angivelsen “ej tillämplig”.

<b>Avsnitt A – Introduktion och varningar</b>		
<b>A.1</b>	<i>Introduktion och varningar</i>	<p>Denna sammanfattning bör betraktas som en introduktion till prospektet.</p> <p>Varje beslut om att investera i värdepapperen ska baseras på en bedömning av prospektet i dess helhet från investerarens sida.</p> <p>Om yrkande avseende uppgifterna i prospektet anförs vid domstol, kan den investerare som är kärande i enlighet med medlemsstaternas nationella lagstiftning bli tvungen att svara för kostnaderna för översättning av prospektet innan de rättsliga förfarandena inleds.</p> <p>Civilrättsligt ansvar endast kan åläggas de personer som lagt fram sammanfattningen, inklusive översättningar därav, men endast om sammanfattningen är vilseledande, felaktig eller oförenlig med de andra delarna av prospektet eller om den inte, tillsammans med andra delar av prospektet, ger nyckelinformation för att hjälpa investerare när de överväger att investera i sådana värdepapper.</p>
<b>A.2</b>	<i>Samtycke till användning av prospektet</i>	Ej tillämplig. Finansiella mellanhänder har inte rätt att använda prospektet för efterföljande återförsäljning eller slutlig placering av värdepapper.

<b>Avsnitt B – Emittent</b>		
<b>B.1</b>	<i>Firma och handelsbeteckning</i>	Infineras firma (tillika handelsbeteckning) är Infinera Corporation.
<b>B.2</b>	<i>Säte och bolagsform</i>	Ej tillämplig. Prospektet har upprättats med tillämpning av de förenklade informationskrav vid vissa erbjudanden till anställda som framgår av fråga 71 i ESMA:s Prospectus Q&A.
<b>B.3</b>	<i>Huvudsaklig verksamhet</i>	Ej tillämplig. Prospektet har upprättats med tillämpning av de förenklade informationskrav vid vissa erbjudanden till anställda som framgår av fråga 71 i ESMA:s Prospectus Q&A.
<b>B.4a</b>	<i>Trender</i>	Efter ett utmanande 2017 förväntar sig Infinera att intäkterna kommer att öka under 2018. Tillväxten kommer i stor utsträckning vara beroende av slutförandet av lanseringen av Infineras nya produkter, fortsatt kundacceptans av Infineras nya produkter, Infineras förmåga att expandera antalet kunder och adresserbara intäktsmöjligheter samt

<b>Avsnitt B – Emittent</b>		
		<p>en återhämtning vad avser storleken på större konsoliderade kunders utgifter. Den kommer även vara beroende av de generella marknadsförhållandena. Infineras intäkter kan vara volatila på kvartalsbasis och påverkas av samma faktorer samt dessutom av kunders inköpsmönster och tidpunkten för kunders nätverksutbyggnad.</p> <p>Mot bakgrund av genomförandet av betydande investeringar under 2017 och påverkan från en majoritet av de initialt höga kostnaderna för produktionsenheter hänförliga till Infineras produktövergång är det svårt att förutsäga marginaler på kvartalsbasis under 2018, men Infineras övergripande bruttomarginal förbättrades under årets första kvartal. Över tid förväntar sig Infinera att skiftet i produktmixen till nästa generations produkter, ökande volymer i halvledarfabriken och förbättrad avkastning på nästa generations produkter kommer att gynna den finansiella ställningen. Infineras rörelsekostnader som andel av de totala intäkterna var lägre under första kvartalet 2018 jämfört med 2017 givet de omfattande investeringar som genomförts under tidigare år i syfte att utveckla snabbare teknologier och introducera nästa generations produkter på marknaden. Dessutom minskade Infinera sin löpande kostnadsstruktur som ett led i omstruktureringen i november 2017.</p>
<b>B.5</b>	<i>Koncern</i>	Ej tillämplig. Prospektet har upprättats med tillämpning av de förenklade informationskrav vid vissa erbjudanden till anställda som framgår av fråga 71 i ESMA:s Prospectus Q&A.
<b>B.6</b>	<i>Större aktieägare m.m.</i>	Ej tillämplig. Prospektet har upprättats med tillämpning av de förenklade informationskrav vid vissa erbjudanden till anställda som framgår av fråga 71 i ESMA:s Prospectus Q&A.
<b>B.7</b>	<i>Utvald historisk finansiell information</i>	Nedan presenteras Infineras finansiella resultat i korthet för räkenskapsåren 2015-2017 samt för de första tre månaderna 2017 och 2018. Infineras koncernredovisning är upprättad i enlighet med amerikanska redovisningsregler ( <i>U.S. generally accepted accounting principles</i> – “ <b>U.S. GAAP</b> ”). Infineras konsoliderade finansiella rapporter för räkenskapsåren 2015-2017 har reviderats av Ernst & Young LLP. Infineras konsoliderade finansiella rapporter för de första tre månaderna 2017 och 2018 är ej reviderade.

**Koncernens resultatrapport i sammandrag**

	3 månader avslutade		Räkenskapsåren som avslutades		
	31 mar 2018	1 apr 2017	30 dec 2017	31 dec 2016	26 dec 2015
	(I tusental USD, förutom data redovisad per aktie)				
Intäkter	202 681	175 522	740 739	870 135	886 714
Kostnader sålda varor och tjänster	120 513	111 466	496 739	476 417	483 237
<b>Bruttovinst</b>	<b>82 168</b>	<b>64 056</b>	<b>244 000</b>	<b>393 718</b>	<b>403 477</b>
Rörelsekostnader totalt	106 846	101 883	427 087	419 492	343 741
<b>Rörelseresultat</b>	<b>-24 678</b>	<b>-37 827</b>	<b>-183 087</b>	<b>-25 774</b>	<b>59 736</b>
Finansiellt netto totalt	-2 280	-2 782	-12 849	-3 407	-7 705
<b>Resultat före skatt</b>	<b>-26 958</b>	<b>-40 609</b>	<b>-195 936</b>	<b>-29 181</b>	<b>52 031</b>
Avsättningar för skatt	-678	-158	-1 430	-4 751	1 081
<b>Nettoresultat</b>	<b>-26 280</b>	<b>-40 451</b>	<b>-194 506</b>	<b>-24 430</b>	<b>50 950</b>
Nettoresultat hänförligt till innehav utan bestämmande inflytande	-	-	-	-503	-463
<b>Nettoresultat hänförligt till Infinera Corporation</b>	<b>-26 280</b>	<b>-40 451</b>	<b>-194 506</b>	<b>-23 927</b>	<b>51 413</b>
<b>Nettoresultat per stamaktie hänförligt till Infinera Corporation:</b>					
Före utspädning	-0,17	-0,28	-1,32	-0,17	0,39
Efter utspädning	-0,17	-0,28	-1,32	-0,17	0,36

**Koncernens balansräkning i sammandrag**

	31 mar 2018	1 apr 2017	30 dec 2017	31 dec 2016	26 dec 2015
	(I tusental USD)				
<b>TILLGÅNGAR</b>					
Omsättningstillgångar					
<b>totalt:</b>	<b>686 113</b>	<b>670 995</b>	<b>647 937</b>	<b>730 423</b>	<b>665 115</b>
<b>Tillgångar totalt</b>	<b>1 132 657</b>	<b>1 180 363</b>	<b>1 117 670</b>	<b>1 198 583</b>	<b>1 224 181</b>
<b>SKULDER OCH EGET KAPITAL</b>					
Kortfristiga skulder totalt	397 070	206 299	374 676	216 533	237 043
<b>Summa eget kapital</b>	<b>671 209</b>	<b>748 762</b>	<b>665 365</b>	<b>762 328</b>	<b>777 061</b>
<b>Summa skulder och eget kapital</b>	<b>1 132 657</b>	<b>1 180 363</b>	<b>1 117 670</b>	<b>1 198 583</b>	<b>1 224 181</b>

**Kassaflödesrapport för koncernen i sammandrag**

	3 månader avslutade		Räkenskapsåren som avslutades		
	31 mar 2018	1 apr 2017	30 dec 2017	31 dec 2016	26 dec 2015
	(I tusental USD)				
<b>Kassaflöde från den löpande verksamheten</b>	<b>-14 109</b>	<b>3 030</b>	<b>-21 925</b>	<b>37 860</b>	<b>133 176</b>
<b>Kassaflöde från investeringsverksamheten</b>	<b>39 163</b>	<b>-52 486</b>	<b>-54 849</b>	<b>-8 031</b>	<b>-91 610</b>
<b>Kassaflöde från finansieringsverksamheten</b>	<b>10 547</b>	<b>9 186</b>	<b>-16 486</b>	<b>-2 780</b>	<b>20 983</b>
Omräkningsdifferenser i likvida medel och spärrade medel	-58	1 337	4 194	-3 880	-93
<b>Nettoförändring kassaflöde</b>	<b>35 543</b>	<b>-38 933</b>	<b>-56 094</b>	<b>23 169</b>	<b>62 456</b>
<b>Likvida medel och spärrade medel vid periodens början</b>	<b>121 486</b>	<b>177 580</b>	<b>177 580</b>	<b>154 411</b>	<b>91 955</b>
<b>Likvida medel och spärrade medel vid periodens slut</b>	<b>157 029</b>	<b>138 647</b>	<b>121 486</b>	<b>177 580</b>	<b>154 411</b>

Avsnitt B – Emittent																																					
		<p><b>Nyckeltal*</b></p> <table border="1"> <thead> <tr> <th rowspan="2">Nyckeltal (%)</th> <th colspan="2">3 månader avslutade</th> <th colspan="3">Räkenskapsåren som avslutades</th> </tr> <tr> <th>31 mar 2018</th> <th>1 apr 2017</th> <th>30 dec 2017</th> <th>31 dec 2016</th> <th>26 dec 2015</th> </tr> </thead> <tbody> <tr> <td>Bruttomarginal<sup>1</sup></td> <td>40,5 %</td> <td>36,5 %</td> <td>32,9 %</td> <td>45,2 %</td> <td>45,5 %</td> </tr> <tr> <td>Rörelsemarginal<sup>2</sup></td> <td>-12,2 %</td> <td>-21,6 %</td> <td>-24,7 %</td> <td>-3,0 %</td> <td>6,7 %</td> </tr> <tr> <td>Soliditet<sup>3</sup></td> <td>59,3 %</td> <td>63,4 %</td> <td>59,5 %</td> <td>63,6 %</td> <td>63,5 %</td> </tr> <tr> <td>Skuldsättningsgrad (Skuld/eget kapital)<sup>4</sup></td> <td>22,0 %</td> <td>18,2 %</td> <td>21,8 %</td> <td>17,5 %</td> <td>15,9 %</td> </tr> </tbody> </table> <p>* S.k. U.S. GAAP based measures.  <sup>1</sup> Bruttovinst uttryckt i procent av de totala intäkterna.  <sup>2</sup> Rörelseresultat uttryckt i procent av de totala intäkterna.  <sup>3</sup> Eget kapital i relation till de totala tillgångarna.  <sup>4</sup> Långfristiga skulder i relation till eget kapital.</p> <p>Det har inte inträffat några väsentliga förändringar av Infineras finansiella ställning eller ställning på marknaden sedan den 31 mars 2018.</p>	Nyckeltal (%)	3 månader avslutade		Räkenskapsåren som avslutades			31 mar 2018	1 apr 2017	30 dec 2017	31 dec 2016	26 dec 2015	Bruttomarginal <sup>1</sup>	40,5 %	36,5 %	32,9 %	45,2 %	45,5 %	Rörelsemarginal <sup>2</sup>	-12,2 %	-21,6 %	-24,7 %	-3,0 %	6,7 %	Soliditet <sup>3</sup>	59,3 %	63,4 %	59,5 %	63,6 %	63,5 %	Skuldsättningsgrad (Skuld/eget kapital) <sup>4</sup>	22,0 %	18,2 %	21,8 %	17,5 %	15,9 %
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<b>B.8</b>	<i>Utvald proformaredovisning</i>	Ej tillämplig. Prospektet har upprättats med tillämpning av de förenklade informationskrav vid vissa erbjudanden till anställda som framgår av fråga 71 i ESMA:s Prospectus Q&A.																																			
<b>B.9</b>	<i>Resultatprognos eller förväntat resultat</i>	Ej tillämplig. Prospektet innehåller inte någon resultatprognos eller beräkning av förväntat resultat.																																			
<b>B.10</b>	<i>Revisionsanmärkning</i>	Ej tillämplig. Prospektet har upprättats med tillämpning av de förenklade informationskrav vid vissa erbjudanden till anställda som framgår av fråga 71 i ESMA:s Prospectus Q&A.																																			
<b>B.11</b>	<i>Otillräckligt rörelsekapital</i>	Ej tillämplig. Det är Infineras bedömning att det befintliga rörelsekapitalet är tillräckligt för de aktuella behoven under åtminstone den kommande tolv månadersperioden.																																			
Avsnitt C – Värdepapper																																					
<b>C.1</b>	<i>Värdepapper som erbjuds</i>	Stamaktier i Infinera (“ <b>Aktier</b> ”), där varje Aktie har ett nominellt belopp om 0,001 USD. Aktierna är noterade på Nasdaq Global Select Market under handelsbeteckningen “INFN”. CUSIP-numret (Committee on Uniform Securities Identification Procedures) för Aktierna är 45667G103. ISIN-koden är US45667G1031.																																			
<b>C.2</b>	<i>Denominering</i>	Aktierna är utgivna i enlighet med amerikansk lagstiftning och denominerade i USD.																																			
<b>C.3</b>	<i>Antal aktier i emittenten</i>	Enligt Infineras stiftelseurkund uppgår det tillåtna antalet aktier ( <i>authorized capital stock</i> ) i Infinera till 525 000 000 aktier fördelade på 500 000 000 stamaktier och 25 000 000 preferensaktier, där varje aktie har ett nominellt belopp om 0,001 USD. Det sammantagna nominella beloppet av Infineras tillåtna antal aktier är 525 000 USD.  Per den 31 mars 2018 fanns det 151 164 854 utgivna och utestående Aktier, där varje aktie har ett nominellt belopp om 0,001 USD. Samtliga utgivna och utestående Aktier är till fullo betalda.																																			

<b>Avsnitt C – Värdepapper</b>		
<b>C.4</b>	<i>Rättigheter som sammanhänger med värdepapperna</i>	<p>Delawares lagstiftning och Infineras stiftelseurkund föreskriver att varje aktieägare har rätt till en röst per Aktie beträffande alla ärenden som tas upp till omröstning bland aktieägarna.</p> <p>Enligt Delawares lagstiftning har en aktieägare, med förbehåll för uttryckliga bestämmelser i stiftelseurkunden, inte någon företrädesrätt enligt lag att teckna aktier vid nyemission. Infineras stiftelseurkund föreskriver inte att aktieägare har någon företrädesrätt att teckna aktier vid nyemission av Infinera-aktier.</p> <p>Infinera har inte betalt någon kontantutdelning på Aktierna och avser för närvarande inte att betala några kontantutdelningar på Aktierna i en nära framtid. Om Infinera skulle ändra sin utdelningspolicy och lämna utdelning på Aktier i framtiden, kommer innehavare av Aktier att erhålla eventuell utdelning som beslutats av Styrelsen proportionellt ur lagligen utdelningsbara medel, med förbehåll för eventuell företrädesrätt för utestående preferensaktier.</p> <p>Vid likvidation, avveckling, eller upplösning av Infinera har ägare av Aktier rätt att erhålla sina proportionella andelar av Infineras nettotillgångar efter att alla skulder har betalats, med förbehåll för företrädesrätt för eventuella utestående preferensaktier.</p> <p>Innehavare av Aktier har inte inlösenrättigheter enligt Infineras stiftelseurkund och bolagsordning.</p>
<b>C.5</b>	<i>Inskränkningar i den fria överlåtbarheten</i>	Ej tillämplig. Aktierna är fritt överlåtbara.
<b>C.6</b>	<i>Upptagande till handel</i>	Aktien är noterad på Nasdaq Global Select Market under handelsbeteckningen "INFN".
<b>C.7</b>	<i>Utdelningspolicy</i>	Infinera har inte betalt någon kontantutdelning på Aktier och avser för närvarande inte att betala någon kontantutdelning på Aktier i en nära framtid.
<b>Avsnitt D – Risker</b>		
<b>D.1</b>	<i>Huvudsakliga risker relaterade till emittenten eller branschen</i>	<p>Att acceptera Erbjudandena och att äga Aktier i Infinera är förenat med risk. Berättigade anställda bör noga överväga de riskfaktorer som bedöms vara viktiga för Infinera och det framtida aktiepriset. Nedan sammanfattas de huvudsakliga riskerna relaterade till branschen och Infineras verksamhet:</p> <ul style="list-style-type: none"> <li>• Infineras kvartalsresultat kan variera betydligt från period till annan, vilket kan göra dess framtida resultat svåra att förutsäga. Detta kan leda till att dess resultat blir lägre än investerarens eller analytikerns förväntningar.</li> <li>• Förseningar vid utvecklingen och introduktionen av Infineras nya produkter, eller i samband med lansering av förbättringar av Infineras befintliga produkter, kan skada Infineras konkurrenssituation och verksamhet.</li> <li>• Infineras förmåga att öka sina intäkter kommer att bero på en fortsatt ökad efterfrågan på nätverkskapacitet från kunder och företag samt på nivån och tidpunkten för kunders investeringar.</li> </ul>

<b>Avsnitt D – Risker</b>		
		<p>Om kunder framöver belsutar att minska sina investeringarna kan Infineras verksamhet, resultat och finansiella ställning påverkas väsentligt negativt.</p> <ul style="list-style-type: none"> <li>• Infinera är beroende av ett fåtal nyckelkunder i fråga om en betydande del av dess intäkter från tid till annan. Förlust, eller en betydande minskning, av orderingången från en eller flera av nyckelkunderna skulle minska Infineras intäkter och inverka negativt på dess rörelseresultat.</li> <li>• En ökad konsolidering bland Infineras kunder inom kommunikationsnätverksbranschen har påverkat och skulle kunna fortsätta att påverka Infineras verksamhet, finansiella ställning och resultat negativt.</li> <li>• Infineras bruttomarginal kan variera från period till period och påverkas negativt av ett antal faktorer, varav vissa ligger utanför Infineras kontroll och som kan göra det svårare att bedriva Infineras verksamhet och uppnå eller bibehålla lönsamhet.</li> <li>• Aggressiva affärsmetoder från Infineras konkurrenters sida kan medföra att efterfrågan på bolagets produkter minskar, att kundbeställningar försenas eller avbryts och/eller att Infinera tvingas sänka sina priser för att kunna konkurrera på marknaden, vilket kan skada Infineras verksamhet.</li> <li>• Åtgärder som Infinera genomför för att omstrukturera sin verksamhet för att minska kostnaderna i syfte att anpassa sin verksamhetsstruktur till nuvarande möjligheter kan visa sig vara mindre effektiva än förväntat.</li> <li>• De marknader som Infinera konkurrerar på är starkt konkurrensutsatta och det finns en risk att Infinera inte kommer att kunna konkurrera på ett effektivt sätt, vilket skulle kunna inverka på Infineras resultat.</li> <li>• Om Infinera inte svarar på den snabba tekniska utvecklingen och uppfyller nya industristandarder och krav för sina produkter, kan Infineras verksamhet och finansiella ställning påverkas negativt.</li> </ul>
<b>D.3</b>	<i>Huvudsakliga risker relaterade till värdepapperna</i>	<p>Nedan sammanfattas de huvudsakliga riskerna relaterade till Aktien:</p> <ul style="list-style-type: none"> <li>• Infineras aktiekurs har varit volatil och kommer sannolikt att vara volatil i framtiden, vilket kan minska värdet av en investering i Aktien.</li> <li>• Anti-takeover-bestämmelser i Infineras konstituerande dokument och lagstiftningen i Delaware kan motverka, försena eller förhindra kontrollägarskiftet i Infinera och kan påverka Infineras aktiekurs.</li> <li>• Aktierna är endast noterade i USA, vilket kommer att exponera icke-amerikanska aktieägare för ytterligare risker, inklusive risken att förändringar i växelkursen för SEK/USD kan få negativ effekt på värdet i SEK för Aktierna.</li> <li>• Infinera har inte betalt någon kontantutdelning på Infinera-aktierna och avser för närvarande inte att betala några kontantutdelningar på Infinera-aktierna i en nära framtid, i vilket fall eventuell avkastning på Aktien endast kommer att genereras genom aktiekursutvecklingen.</li> </ul>

<b>Avsnitt D – Risker</b>		
		Samtliga ovanstående faktorer kan medföra att Infineras aktiekurs sjunker. Dessutom bör det noteras att handel med aktier alltid är förenat med risker och att kursen på aktier beror på faktorer utanför Infineras kontroll. En kapitalinvestering kan minska i värde och det finns en risk att investerare inte får tillbaka det investerade kapitalet eller något kapital alls.

<b>Avsnitt E – Erbjudande</b>		
<b>E.1</b>	<i>Emissionsbelopp och emissionskostnader</i>	Under antagande om en aktiekurs om 9,60 USD vid tidpunkten för anmälan om deltagande, antalet Infinera-anställda som är berättigade att delta samt en uppskattad andel anställda som Infinera förväntar sig kommer att delta skulle cirka 1 273 103 Aktier förvärfas av deltagare i Infineras <i>Employee Share Purchase Plan</i> (“ <b>Sparplanen</b> ”) globalt avseende den erbjudandeperiod som avslutas den 15 februari 2019, vilket skulle generera nettointäkter om cirka 10,4 miljoner USD, samt cirka 954 827 Aktier förvärfas av deltagare i Sparplanen globalt avseende den erbjudandeperiod som avslutas den 15 augusti 2019, vilket skulle generera nettointäkter om cirka 7,8 miljoner USD. Infinera uppskattar koncernens totala kostnad för Sparplanen avseende de båda erbjudandeperioderna till cirka 7,0 miljoner USD (under ovan angivna antaganden).
<b>E.2a</b>	<i>Motiv och användning av emissionslikviden</i>	Syftet med Sparplanen är att ge anställda inom Infinera och dess deltagande koncernbolag en möjlighet att investera i Aktier i Infinera genom återkommande erbjudanden som finansieras genom löneavdrag. Infinera anser att tillhandahållandet av ett konkurrenskraftigt aktiesparprogram är ett viktigt inslag i rekrytering och motivation av, samt möjligheten att behålla, anställda. De intäkter som Infinera erhåller från överlåtelsen av Aktier inom ramen för Sparplanen kommer att användas för i den löpande verksamheten.
<b>E.3</b>	<i>Erbjudandets former och villkor</i>	Sparplanen ger berättigade anställda en möjlighet att förvärva aktier genom ackumulerade löneavdrag. Sparplanen möjliggör för deltagarna att, med vissa begränsningar, avsätta upp till 15 % av deras löneunderlag genom löneavdrag för att förvärva upp till högst 3 000 Aktier under varje erbjudandeperiod.  Sparplanen genomförs genom på varandra följande erbjudandeperioder om cirka sex månader. Erbjudandeperioder inleds i allmänhet den första handelsdag som inträffar på eller efter den 15 februari respektive den 15 augusti varje år och avslutas sluta cirka sex månader senare. Erbjudandeperioden för berättigade svenska anställda i Erbjudandena enligt detta prospekt kommer att (i) inledas den 15 augusti 2018 och avslutas den 15 februari 2019 respektive (ii) inledas den 15 februari 2019 och avslutas den 15 augusti 2019.  Berättigade anställda kan välja att delta i Sparplanen genom att, senast det datum som administratören av Sparplanen föreskriver, skicka ett korrekt ifyllt s.k. <i>subscription agreement</i> (varigenom löneavdrag godkänns) i den form det tillhandahålls av administratören till Infineras lönekontor (eller ombud), eller anmäla sig genom elektroniskt eller annat anmälningsförfarande som föreskrivs av administratören. Anmälningsperioden för berättigade svenska anställda att delta i

<b>Avsnitt E – Erbjudande</b>		
		<p>Erbjudandena enligt detta prospekt kommer att (i) inledas den 30 juli 2018 och avslutas den 10 augusti 2018 respektive (ii) inledas den 28 januari 2019 och avslutas den 10 februari 2019. Ett <i>subscription agreement</i> kommer att fortsätta gälla under varje efterföljande erbjudandeperiod om det inte sägs upp enligt villkoren för Sparplanen.</p> <p>En berättigad anställd som väljer att delta i Sparplanen får vid inledandet av erbjudandeperioden en option att förvärva Aktier genom löneavdrag om högst 15 % av hans eller hennes underlagsgrundande ersättning. Den berättigade anställdes löneavdrag ackumuleras och medlen används till förvärv av Aktier vid utgången av varje erbjudandeperiod. Priset per option kommer att vara det lägre av (i) 85 % av Aktiens marknadsvärde på den första handelsdagen i erbjudandeperioden (15 augusti 2018 respektive 15 februari 2019 i Erbjudandena enligt detta prospekt), och (ii) 85 % av Aktiens marknadsvärde vid förvärvstidpunkten, dvs. cirka sex månader därefter (15 februari 2019 respektive 15 augusti 2019 i Erbjudandena enligt detta prospekt).</p>
<b>E.4</b>	<i>Intressen som har betydelse för erbjudandet</i>	Ej tillämplig. Prospektet har upprättats med tillämpning av de förenklade informationskrav vid vissa erbjudanden till anställda som framgår av fråga 71 i ESMA:s Prospectus Q&A.
<b>E.5</b>	<i>Säljare av värdepapperna och lock up-avtal</i>	Ej tillämplig. Prospektet har upprättats med tillämpning av de förenklade informationskrav vid vissa erbjudanden till anställda som framgår av fråga 71 i ESMA:s Prospectus Q&A.
<b>E.6</b>	<i>Utspädningseffekt</i>	<p>Under antagande om att 1 273 103 Aktier kommer att förvärfas av deltagare i Sparplanen globalt avseende den erbjudandeperiod som avslutas i februari 2019 kommer det totala antalet utestående Aktier att öka från 151 164 854 (antalet utestående Aktier per den 31 mars 2018) till 152 437 957, vilket motsvarar en utspädning om cirka 0,84 %.</p> <p>Under antagande om att 954 827 Aktier kommer att förvärfas av deltagare i Sparplanen globalt avseende den erbjudandeperiod som avslutas i augusti 2019 kommer det totala antalet utestående Aktier därefter att öka från 152 437 957 till 153 392 784, vilket motsvarar en utspädning om cirka 0,63 %. Den totala utspädningseffekten uppgår till cirka 1,47 %.</p>
<b>E.7</b>	<i>Kostnader som åläggs investeraren</i>	Ej tillämplig. Infinera ålägger inte investerare några kostnader.

## SUMMARY

Summaries are made up of disclosure requirements known as “Elements,” these elements are numbered in Sections A – E (A.1 – E.7).

This summary contains all the Elements required to be included in a summary for the type of securities and issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

Even though an Element may be required to be inserted in the summary because of the type of securities and issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of “not applicable.”

<b>Section A – Introduction and warnings</b>		
<b>A.1</b>	<i>Introduction and warnings</i>	<p>This summary should be read as an introduction to the Prospectus.</p> <p>Any decision to invest in the securities should be based on consideration of the Prospectus as a whole by the investor.</p> <p>Where a claim relating to the information in this Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating the Prospectus before the legal proceedings are initiated.</p> <p>Civil liability may attach to those persons who produced the summary, including any translation thereof, only if the summary is misleading, inaccurate or inconsistent with other parts of the Prospectus or if, together with other parts of the Prospectus, it fails to provide key information to help investors when considering investing in such securities.</p>
<b>A.2</b>	<i>Consent to the use of the Prospectus for resale or final placement of securities</i>	Not applicable. Financial intermediaries may not use this Prospectus for any subsequent resale or final placement of securities.
<b>Section B – Issuer</b>		
<b>B.1</b>	<i>Legal and commercial name</i>	Infinera’s full corporate name (and trading name) is Infinera Corporation.
<b>B.2</b>	<i>Domicile and legal form</i>	Not applicable. The Prospectus has been prepared in accordance with the short-form disclosure regime for certain offers to employees as set out in Question 71 of ESMA’s Prospectus Q&A.
<b>B.3</b>	<i>Nature of operations and principal activities</i>	Not applicable. The Prospectus has been prepared in accordance with the short-form disclosure regime for certain offers to employees as set out in Question 71 of ESMA’s Prospectus Q&A.
<b>B.4a</b>	<i>Recent trends</i>	Exiting a challenging 2017, Infinera expects revenue will grow in 2018. Growth will be largely dependent on completing Infinera’s new product introductions, continued customer adoption of Infinera’s new products, Infinera’s ability to expand its number of customers and addressable revenue opportunities, and the recovery of spend with its major consolidated customers. It will also depend on overall market conditions. Infinera’s quarter-over-quarter revenue could be volatile

<b>Section B – Issuer</b>		
		<p>and impacted by the same factors, and also affected by customer buying patterns and the timing of customer network deployments.</p> <p>In 2018, while difficult to predict margins on a quarterly basis, having made significant investments in 2017 and having endured a majority of the early high costs of production units associated with Infinera’s product transition, Infinera’s overall gross margin improved in the first quarter of the year. Over time Infinera expects that mix shifts to next-generation products, growing volumes in the fab, and improving the yields on its next-generation product will benefit its financial position. Infinera’s operating expenses in the first quarter of 2018 were lower as a percentage of overall revenue compared to 2017, given the substantial investments made in prior years to drive a faster technology cadence and deliver its next-generation products to market. In addition, Infinera reduced its ongoing cost structure as part of its restructuring in November 2017.</p>
<b>B.5</b>	<i>Group</i>	Not applicable. The Prospectus has been prepared in accordance with the short-form disclosure regime for certain offers to employees as set out in Question 71 of ESMA’s Prospectus Q&A.
<b>B.6</b>	<i>Major shareholders, etc.</i>	Not applicable. The Prospectus has been prepared in accordance with the short-form disclosure regime for certain offers to employees as set out in Question 71 of ESMA’s Prospectus Q&A.

<b>B.7</b> <i>Selected historical financial information</i>	<p>Presented below are Infinera’s financial results in brief for fiscal years 2015-2017, as well as for the first three months of fiscal 2017 and 2018. Infinera’s consolidated financial statements are prepared in accordance with United States generally accepted accounting principles (“U.S. GAAP”). Infinera’s consolidated financial statements for the fiscal years 2015-2017 have been audited by Ernst &amp; Young LLP. Infinera’s consolidated financial statements for the first three months of 2017 and 2018 have not been audited.</p> <p><b>Consolidated statement of operations in summary</b></p> <table border="1"> <thead> <tr> <th rowspan="2"></th> <th colspan="2">3 months ended</th> <th colspan="3">Years ended</th> </tr> <tr> <th>Mar. 31, 2018</th> <th>Apr. 1, 2017</th> <th>Dec. 30, 2017</th> <th>Dec. 31, 2016</th> <th>Dec. 26, 2015</th> </tr> </thead> <tbody> <tr> <td></td> <td colspan="5" style="text-align: center;">(USD, in thousands, except per share data)</td> </tr> <tr> <td>Revenue</td> <td>202,681</td> <td>175,522</td> <td>740,739</td> <td>870,135</td> <td>886,714</td> </tr> <tr> <td>Cost of revenue</td> <td>120,513</td> <td>111,466</td> <td>496,739</td> <td>476,417</td> <td>483,237</td> </tr> <tr> <td><b>Gross profit</b></td> <td><b>82,168</b></td> <td><b>64,056</b></td> <td><b>244,000</b></td> <td><b>393,718</b></td> <td><b>403,477</b></td> </tr> <tr> <td>Operating expenses:</td> 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<b>Income (loss) from operations</b>	<b>(24,678)</b>	<b>(37,827)</b>	<b>(183,087)</b>	<b>(25,774)</b>	<b>59,736</b>																																																																																																																																																							
Total other income (expense), net	(2,280)	(2,782)	(12,849)	(3,407)	(7,705)																																																																																																																																																							
<b>Income (loss) before income taxes</b>	<b>(26,958)</b>	<b>(40,609)</b>	<b>(195,936)</b>	<b>(29,181)</b>	<b>52,031</b>																																																																																																																																																							
Provision for (benefit from) income taxes	(678)	(158)	(1,430)	(4,751)	1,081																																																																																																																																																							
<b>Net income (loss)</b>	<b>(26,280)</b>	<b>(40,451)</b>	<b>(194,506)</b>	<b>(24,430)</b>	<b>50,950</b>																																																																																																																																																							
Less: Net loss attributable to noncontrolling interests	–	–	–	(503)	(463)																																																																																																																																																							
<b>Net income (loss) attributable to Infinera Corporation</b>	<b>(26,280)</b>	<b>(40,451)</b>	<b>(194,506)</b>	<b>(23,927)</b>	<b>51,413</b>																																																																																																																																																							
<b>Net income (loss) per common share attributable to Infinera Corporation:</b>																																																																																																																																																												
Basic	(0.17)	(0.28)	(1.32)	(0.17)	0.39																																																																																																																																																							
Diluted	(0.17)	(0.28)	(1.32)	(0.17)	0.36																																																																																																																																																							
	Mar. 31, 2018	Apr. 1, 2017	Dec. 30, 2017	Dec. 31, 2016	Dec. 26, 2015																																																																																																																																																							
	(USD, in thousands)																																																																																																																																																											
<b>ASSETS</b>																																																																																																																																																												
<b>Total current assets</b>	<b>686,113</b>	<b>670,995</b>	<b>647,937</b>	<b>730,423</b>	<b>665,115</b>																																																																																																																																																							
<b>Total assets</b>	<b>1,132,657</b>	<b>1,180,363</b>	<b>1,117,670</b>	<b>1,198,583</b>	<b>1,224,181</b>																																																																																																																																																							
<b>LIABILITIES AND STOCKHOLDERS’ EQUITY</b>																																																																																																																																																												
<b>Total current liabilities</b>	<b>397,070</b>	<b>206,299</b>	<b>374,676</b>	<b>216,533</b>	<b>237,043</b>																																																																																																																																																							
<b>Stockholders’ equity</b>	<b>671,209</b>	<b>748,762</b>	<b>665,365</b>	<b>762,328</b>	<b>777,061</b>																																																																																																																																																							
<b>Total liabilities and stockholders’ equity</b>	<b>1,132,657</b>	<b>1,180,363</b>	<b>1,117,670</b>	<b>1,198,583</b>	<b>1,224,181</b>																																																																																																																																																							

		<b>Consolidated cash flow statement in summary</b>					
		3 months ended		Years ended			
		Mar. 31, 2018	Apr. 1, 2017	Dec. 30, 2017	Dec. 31, 2016	Dec. 26, 2015	
		(USD, in thousands)					
		Net cash provided by (used in) operating activities	(14,109)	3,030	(21,925)	37,860	133,176
		Net cash provided by (used in) investing activities	39,163	(52,486)	(54,849)	(8,031)	(91,610)
		Net cash provided by (used in) financing activities	10,547	9,186	16,486	(2,780)	20,983
		Effect of exchange rate changes on cash and restricted cash	(58)	1,337	4,194	(3,880)	(93)
		Net change in cash, cash equivalents and restricted cash	35,543	(38,933)	(56,094)	23,169	62,456
		Cash, cash equivalents and restricted cash at beginning of period	121,486	177,580	177,580	154,411	91,955
		Cash, cash equivalents and restricted cash at end of period	157,029	138,647	121,486	177,580	154,411
		<b>Key ratios*</b>					
			3 months ended		Years ended		
		Key Ratios (%)	Mar. 31, 2018	Apr. 1, 2017	Dec. 30, 2017	Dec. 31, 2016	Dec. 26, 2015
		Gross margin <sup>1</sup>	40.5%	36.5%	32.9%	45.2%	45.5%
		Operating margin <sup>2</sup>	(12.2)%	(21.6)%	(24.7)%	(3.0)%	6.7%
		Equity/assets ratio <sup>3</sup>	59.3%	63.4%	59.5%	63.6%	63.5%
		Debt/equity ratio <sup>4</sup>	22.0%	18.2%	21.8%	17.5%	15.9%
		* U.S. GAAP based measures.					
		<sup>1</sup> Gross profit as a percentage of total revenue.					
		<sup>2</sup> Operating income (loss) as a percentage of total revenue.					
		<sup>3</sup> Equity divided by total assets.					
		<sup>4</sup> Long-term debt divided by equity.					
		There has been no substantial change in Infinera's financial or market position since March 31, 2018.					
<b>B.8</b>	<i>Selected pro forma financial information</i>	Not applicable. The Prospectus has been prepared in accordance with the short-form disclosure regime for certain offers to employees as set out in Question 71 of ESMA's Prospectus Q&A.					
<b>B.9</b>	<i>Profit forecast or estimate</i>	Not applicable. The Prospectus contains no profit forecast or estimate.					
<b>B.10</b>	<i>Qualification of audit report</i>	Not applicable. The Prospectus has been prepared in accordance with the short-form disclosure regime for certain offers to employees as set out in Question 71 of ESMA's Prospectus Q&A.					
<b>B.11</b>	<i>Insufficient working capital</i>	Not applicable. It is Infinera's assessment that its existing working capital is sufficient for its current needs for at least the next 12 month period.					

## Section C – Securities

<b>C.1</b>	<i>Securities being offered</i>	Infinera common stock, each with a par value of USD 0.001. The Shares are listed on the Nasdaq Global Select Market under the trading symbol "INFN". The CUSIP (Committee on Uniform Securities
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<b>Section C – Securities</b>		
		Identification Procedures) number for the Shares is 45667G103. The ISIN code is US45667G1031.
<b>C.2</b>	<i>Currency</i>	The Shares have been issued under U.S. laws and are denominated in USD.
<b>C.3</b>	<i>A Number of shares in the issuer</i>	<p>Pursuant to Infinera’s Certificate of Incorporation, the authorized capital stock of Infinera consists of 525,000,000 shares, divided into 500,000,000 shares of common stock and 25,000,000 shares of preferred stock, each with a par value of USD 0.001. The aggregate par value for Infinera’s authorized capital stock is USD 525,000.</p> <p>As of March 31, 2018, there were 151,164,854 Shares issued and outstanding, each with a par value of USD 0.001. All issued and outstanding shares of capital stock have been fully paid.</p>
<b>C.4</b>	<i>Rights attached to the securities</i>	<p>Delaware law and Infinera’s certificate of incorporation provide that each stockholder is entitled to one vote for each Share held on all matters submitted to a vote of stockholders.</p> <p>Under Delaware law, absent express provision in a corporation’s certificate of incorporation, a stockholder does not, by operation of law, possess pre-emptive rights to subscribe to additional issuances of the corporation’s stock. Infinera’s certificate of incorporation does not provide that stockholders possess any pre-emptive right to subscribe to additional issuances of Infinera’s capital stock.</p> <p>Infinera has not paid any cash dividends to date and does not intend to pay any cash dividends on the Shares in the near future. If Infinera should change its policy and in the future pay cash dividends with respect to Shares, holders of Shares would be entitled to receive ratably such dividends, if any, as may be declared by the board out of funds legally available therefor, subject to any preferential dividend rights of any outstanding shares of preferred stock.</p> <p>Upon the liquidation, dissolution, or winding up of Infinera, the holders of Shares are entitled to receive ratably the net assets of Infinera available after the payment of all debts and liabilities and subject to the prior rights of any outstanding preferred stock.</p> <p>Holders of Shares do not have redemption rights under the certificate of incorporation and bylaws.</p>
<b>C.5</b>	<i>Restrictions on the free transferability</i>	Not applicable. The Shares are freely transferable.
<b>C.6</b>	<i>Admission to trading</i>	The Shares are listed on the Nasdaq Global Select Market under the trading symbol “INFN.”
<b>C.7</b>	<i>Dividend policy</i>	Infinera has not paid any cash dividends to date and does not intend to pay any cash dividends on the Shares in the near future.

<b>Section D – Risks</b>		
<b>D.1</b>	<i>Key risks specific to the issuer or the industry</i>	<p>An acceptance of the Offers and ownership of the Shares is associated with risk. Eligible employees should carefully consider the risks considered to be of importance in relation to Infinera and the future performance of the Shares. Set out below is a summary of the key risks related to the industry and Infinera’s operations:</p> <ul style="list-style-type: none"> <li>• Infinera’s quarterly results may vary significantly from period to period, which could make its future results difficult to predict and could cause its operating results to fall below investor or analyst expectations.</li> <li>• Any delays in the development and introduction of Infinera’s new products or in releasing enhancements to Infinera’s existing products may harm Infinera’s competitive situation and business.</li> <li>• Infinera’s ability to increase its revenue will depend upon continued growth of demand by consumers and businesses for additional network capacity and on the level and timing of capital spending by its customers, where future decisions by customers to reduce capital spending could have a material adverse effect on Infinera’s business, results of operations and financial condition.</li> <li>• Infinera is dependent on a small number of key customers for a significant portion of its revenue from period to period and the loss of, or a significant reduction in, orders from one or more of its key customers would reduce its revenue and harm its operating results.</li> <li>• Increased consolidation among Infinera’s customers in the communications networking industry has and could continue to adversely affect Infinera’s business and results of operations.</li> <li>• Infinera’s gross margin may fluctuate from period to period and may be adversely affected by a number of factors, some of which are beyond Infinera’s control, which may make it difficult to manage Infinera’s business and achieve or maintain profitability.</li> <li>• Aggressive business tactics by Infinera’s competitors may cause demand for its products to decline, result in delays or cancellations of customer orders and/or require Infinera to reduce its prices to compete in the market, which may harm Infinera’s business.</li> <li>• Actions that Infinera is taking to restructure its business to cut costs in order to align its operating structure with current opportunities may not be as effective as anticipated.</li> <li>• The markets in which Infinera competes are highly competitive and Infinera may not be able to compete effectively, which could impact Infinera’s results of operations.</li> <li>• If Infinera does not respond to rapid technological change and comply with evolving industry standards and requirements for its products, Infinera’s business and financial condition could be adversely affected.</li> </ul>
<b>D.3</b>	<i>Key risks specific to the securities</i>	<p>Set out below is a summary of the key risks related to the Shares:</p> <ul style="list-style-type: none"> <li>• The trading price of the Shares has been volatile and is likely to be volatile in the future, which could harm the value of an investment in the Shares.</li> <li>• Anti-takeover provisions in Infinera’s charter documents and Delaware law could discourage, delay or prevent a change in control in Infinera and may affect the trading price of the Shares.</li> </ul>

<b>Section D – Risks</b>		
		<ul style="list-style-type: none"> <li>The shares are only listed in the United States, which will expose non-U.S. stockholders to additional risk, including the risk that changes in the SEK/USD exchange rate may have an adverse effect on the value in SEK of Shares.</li> <li>Infinera has not paid any cash dividends on the Shares and does not currently intend to pay any cash dividends on the Shares in the near future, in which case any return on the Shares will be generated only through the appreciation of the price of the Shares.</li> </ul> <p>All of the above factors may cause the price of the Shares to decline. In addition, it should be noted that trading in shares is always associated with risk and the pricing of shares is dependent on factors outside Infinera’s control. An equity investment may decrease in value and there is no guarantee that investors will get back the capital invested or any capital at all.</p>
<b>Section E – Offer</b>		
<b>E.1</b>	<i>Net proceeds and expenses</i>	Based on \$9.60 enrollment date price, upon total Infinera employees eligible to participate and an estimated percentage of those employees that Infinera expects will participate, approximately 1,273,103 Shares would be purchased on behalf of participants of the Purchase Plan globally for the offering period that will end on the first trading day on or after February 15, 2019, which would generate net proceeds of approximately \$10.4 million, and approximately 954,827 Shares would be purchased on behalf of participants of the Purchase Plan globally for the offering period that will end on the first trading day on or after August 15, 2019, which would generate net proceeds of approximately \$7.8 million. Infinera estimates the total consolidated expense for the Purchase Plan for the two offering periods to be approximately \$7.0 million (based on the above assumptions).
<b>E.2a</b>	<i>Reasons for the Offer, use of proceeds</i>	The purpose of the Purchase Plan is to provide employees of Infinera and its participating affiliates with an opportunity to invest in Shares of Infinera through periodic offerings financed by payroll deductions. Infinera believes that maintaining a competitive employee stock purchase plan is an important element in recruitment, motivation and retention of its employees. The proceeds received by Infinera from the sale of Shares pursuant to the Purchase Plan will be used for general corporate purposes.
<b>E.3</b>	<i>Terms and conditions of the Offer</i>	<p>The Purchase Plan provides eligible employees with an opportunity to purchase Shares through accumulated payroll deductions. The Purchase Plan allows participants to contribute, subject to certain restrictions, up to 15% of their eligible compensation through payroll deductions to purchase up to a maximum of 3,000 Shares during each offering period.</p> <p>The Purchase Plan is implemented through consecutive offering periods of approximately six months in length. The offering periods generally start with the first trading day on or after February 15 and August 15 of each year and end approximately six months later. The offering period for eligible Swedish employees in the Offers under this Prospectus will (i) commence on August 15, 2018 and end on February</p>

<b>Section E – Offer</b>		
		<p>15, 2019, and (ii) commence on February 15, 2019 and end on August 15, 2019, respectively.</p> <p>Eligible employees may participate in the Purchase Plan by submitting to Infinera’s payroll office (or its designee) on or before a date prescribed by the administrator of the Purchase Plan prior to an applicable offering date, a properly completed subscription agreement authorizing payroll deductions in the form provided by the administrator, or following an electronic or other enrollment procedure prescribed by the administrator. The enrollment period for eligible Swedish employees to participate in the Offers under this Prospectus will (i) commence on July 30, 2018 and end on August 10, 2018, and (ii) commence on January 28, 2019 and end on February 10, 2019, respectively. The subscription agreement will remain in effect for each successive offering period unless terminated as provided by the provisions of the Purchase Plan.</p> <p>An eligible employee who elects to enroll in the Purchase Plan is granted an option at the start of the offering period to purchase Shares with payroll deductions of up to 15% of his or her eligible compensation. The eligible employee’s payroll deductions are accumulated and applied to purchase Shares at the end of each offering period. The purchase price for such option will be the lesser of (i) 85% of the fair market value of the Shares on the first trading day of the offering period (August 15, 2018 and February 15, 2019, respectively, in the Offers under this Prospectus) or (ii) 85% of the fair market value of the Shares on the exercise date, which is approximately six months thereafter (February 15, 2019 and August 15, 2019, respectively, in the Offers under this Prospectus).</p>
<b>E.4</b>	<i>Interests material to the Offer</i>	Not applicable. The Prospectus has been prepared in accordance with the short-form disclosure regime for certain offers to employees as set out in Question 71 of ESMA’s Prospectus Q&A.
<b>E.5</b>	<i>Entity offering to sell the securities, lock up agreements</i>	Not applicable. The Prospectus has been prepared in accordance with the short-form disclosure regime for certain offers to employees as set out in Question 71 of ESMA’s Prospectus Q&A.
<b>E.6</b>	<i>Dilution</i>	On the assumption that 1,273,103 Shares would be purchased on behalf of Participants of the Purchase Plan globally for the offer period ending in February 2019, the total outstanding Shares would increase from 151,164,854 (the Shares outstanding as of March 31, 2018) to 152,437,957, corresponding to a dilution of about 0.84%. On the assumption that 954,827 Shares would be purchased on behalf of Participants of the Purchase Plan globally for the offer period ending in August 2019, the total outstanding Shares would thereafter increase from 152,437,957 to 153,392,784, corresponding to a dilution of about 0.63%. The total dilution amounts to approximately 1.47%.
<b>E.7</b>	<i>Expenses charged to the investor</i>	Not applicable. Infinera does not charge participants any expenses.

## RISK FACTORS

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*An acceptance of the Offers and ownership of the Shares is associated with risk. Eligible employees should carefully consider the risks described below as well as all other information in the Prospectus before a decision is made to accept the Offers and thereby to acquire Shares. The risks currently considered to be of primary importance to Infinera are described below, without being ranked in particular order of importance. There are risks both regarding circumstances linked to Infinera or the industry and those that are of a more general nature as well as risks associated with owning the Shares and risks related to the Offers. Some risks are beyond Infinera's control. The description below does not purport to be complete and, for natural reasons, not all risk factors can be predicted or described in detail. Therefore, a comprehensive assessment must also include the other information in the Prospectus, as well as a general assessment of extraneous factors. The below risks and uncertainties may have a material adverse effect on Infinera's business, financial condition and operating results. They may also cause the Shares to decrease in value, which may result in Infinera's stockholders losing all or part of their invested capital. Additional factors of which Infinera is currently unaware, or which it currently deems not to be risks, may also have corresponding negative effects.*

### Risks related to Infinera and the industry

**Infinera's quarterly results may vary significantly from period to period, which could make its future results difficult to predict and could cause its operating results to fall below investor or analyst expectations.**

Infinera's quarterly results, in particular, Infinera's revenue, gross margins, operating expenses, operating margins and net income (loss), have historically varied from period to period and may continue to do so in the future. As a result, comparing Infinera's operating results on a period-to-period basis may not be meaningful. Infinera's budgeted expense levels are based, in large part, on Infinera's expectations of future revenue and the development efforts associated with that future revenue. Consequently, if Infinera's revenue does not meet projected levels in the short-term, Infinera's inventory levels, cost of goods sold and operating expenses would be high relative to revenue, resulting in potential operating losses.

Factors that may contribute to fluctuations in Infinera's quarterly results, many of which are outside Infinera's control and may be difficult to predict, include:

- fluctuations in demand, sales cycles and prices for products and services, including discounts given in response to competitive pricing pressures, as well as the timing of purchases by Infinera's key customers;
- changes in customers' budgets for optical transport network equipment purchases and changes or variability in their purchasing cycles;
- fluctuations in Infinera's customer, product or geographic mix, including the impact of new customer deployments, which typically carry lower gross margins, and customer consolidation, which may affect Infinera's ability to grow revenue;
- the timing and acceptance of Infinera's new product releases and Infinera's competitors' new product releases;
- how quickly, or whether at all, the markets in which Infinera operates adopt Infinera's solutions;
- Infinera's ability to increase volumes and yields on products manufactured in its internal manufacturing facilities;
- Infinera's ability to successfully restructure its operations within its anticipated timeframe and realize its anticipated savings;
- order cancellations, reductions or delays in delivery schedules by Infinera's customers;
- Infinera's ability to control costs, including its operating expenses and the costs and availability of components Infinera purchases for its products;
- any significant changes in the competitive dynamics of the markets Infinera serves, including any new entrants, new technologies, or customer or competitor consolidation;
- readiness of customer sites for installation of Infinera's products as well as the availability of third party suppliers to provide contract engineering and installation services for Infinera;
- the timing of revenue recognition and revenue deferrals;

- any future changes in U.S. generally accepted accounting principles (“U.S. GAAP”) or new interpretations of existing accounting rules;
- the impact of a significant natural disaster, such as an earthquake, severe weather, or tsunami or other flooding, as well as interruptions or shortages in the supply of utilities such as water and electricity, in a key location such as Infinera’s Northern California facilities, which is located near major earthquake fault lines and in a designated flood zone; and
- general economic conditions in domestic and international markets.

Many factors affecting Infinera’s results of operations are beyond its control and make it difficult to predict Infinera’s results for a particular quarter and beyond. If Infinera’s revenue or operating results do not meet the expectations of investors or securities analysts or fall below any guidance Infinera provides to the market, the price of the Shares may decline substantially.

**Any delays in the development and introduction of Infinera’s new products or in releasing enhancements to Infinera’s existing products may harm Infinera’s business.**

Because Infinera’s products are based on complex technologies, including, in many cases, the development of next-generation PICs and specialized ASICs (key components of Infinera’s optical engines), Infinera may experience unanticipated delays in developing, improving, manufacturing or deploying these products. The development process for Infinera’s optical engines is lengthy, and any modifications entail significant development cost and risks.

At any given time, various new product introductions and enhancements to Infinera’s existing products are in the development phase and are not yet ready for commercial manufacturing or deployment. Infinera relies on third parties, some of which are relatively early stage companies, to develop, manufacture and timely deliver components for Infinera’s next-generation products, which can often require custom development. The development process from laboratory prototype to customer trials, and subsequently to general availability, involves a significant number of simultaneous efforts. These efforts often must be completed in a timely and coordinated manner so that they may be incorporated into the product development cycle for Infinera’s systems, and include:

- completion of product development, including the development and completion of Infinera’s next-generation optical engines, and the completion of associated module development;
- the qualification and multiple sourcing of critical components;
- validation of manufacturing methods and processes;
- extensive quality assurance and reliability testing and staffing of testing infrastructure;
- validation of software; and
- establishment of systems integration and systems test validation requirements.

Each of these steps, in turn, presents risks of failure, rework or delay, any one of which could decrease the speed and scope of product introduction and marketplace acceptance of Infinera’s products. New generations of Infinera’s optical engines as well as intensive software testing are important to the timely introduction of new products and enhancements to Infinera’s existing products, and are subject to these development risks. In addition, unexpected intellectual property disputes, failure of critical design elements, limited or constrained engineering resources, and a host of other development execution risks may delay, or even prevent, the introduction of new products or enhancements to Infinera’s existing products. If Infinera does not develop and successfully introduces or enhances products in a timely manner, Infinera’s competitive position will suffer.

As Infinera continues to transition customers to Infinera’s next-generation products, Infinera faces significant risk that its new products may not be accepted by Infinera’s current or new customers. To the extent that Infinera fails to introduce new and innovative products that are adopted by customers, Infinera could fail to obtain an adequate return on these investments and could lose market share to its competitors, which could be difficult or impossible to regain. Similarly, Infinera may face decreased revenue, gross margins and profitability due to a rapid decline in sales of current products as customers hold spending to focus purchases on new product platforms. Infinera could incur significant costs in completing the transition, including costs of inventory write-downs of the current product as customers transition to new product platforms. In addition, products or technologies developed by others may render Infinera’s products noncompetitive or obsolete and result in significant reduction in orders from Infinera’s customers and the loss of existing and prospective customers.

**Infinera's ability to increase its revenue will depend upon continued growth of demand by consumers and businesses for additional network capacity and on the level and timing of capital spending by its customers.**

Infinera's future success depends on factors that increase the amount of data transmitted over communications networks and the growth of optical transport networks to meet the increased demand for optical capacity. These factors include the growth of mobile, video and cloud-based services, increased broadband connectivity and the continuing adoption of high-capacity, revenue-generating services. If demand for such bandwidth does not continue, or slows down, the market for optical transport networking equipment may not continue to grow and Infinera's product sales would be negatively impacted.

In addition, demand for Infinera's products depends on the level and timing of capital spending in optical networks by service providers as they construct, expand and upgrade the capacity of their optical networks. Capital spending is cyclical in Infinera's industry and spending by customers can change on short notice. Any future decisions by Infinera's customers to reduce capital spending, whether caused by lower customer demand or weakening economic conditions, changes in government regulations relating to telecommunications and data networks, customer consolidation or other reasons, could have a material adverse effect on Infinera's business, results of operations and financial condition.

**Infinera is dependent on a small number of key customers for a significant portion of its revenue from period to period and the loss of, or a significant reduction in, orders from one or more of its key customers would reduce its revenue and harm its operating results.**

A relatively small number of customers account for a large percentage of Infinera's revenue from period to period. For the first quarter of fiscal 2018, Infinera's top five customers accounted for approximately 56% of its total revenue. For fiscal year 2017, Infinera's top five customers accounted for approximately 44% of its total revenue. Included in these five customers for fiscal year 2017 is one customer that completed a merger in late 2017, which was a combination of two of Infinera's historically larger customers. For fiscal year 2016, Infinera's top five customers accounted for approximately 46% of its total revenue. Infinera's business will likely be harmed if any of its key customers are acquired, do not generate as much revenue as Infinera forecasts, stop purchasing from Infinera, delay anticipated product purchases, or substantially reduce their orders to Infinera. In addition, Infinera's business will be harmed if it fails to maintain its competitive advantage with its key customers or do not add new larger customers over time. Infinera continues to expect a relatively small number of customers to continue to account for a large percentage of revenue from period to period. However, customer consolidation could reduce the number of key customers that generate a significant percentage of Infinera's revenue and may increase the risks relating to dependence on a small number of customers.

Infinera's ability to continue to generate revenue from its key customers will depend on its ability to maintain strong relationships with these customers and introduce competitive new products at competitive prices, and Infinera may not be successful at doing so. In most cases, Infinera's sales are made to these customers pursuant to standard purchase agreements rather than long-term purchase commitments, and orders may be canceled or reduced readily. In the event of a cancellation or reduction of an order, Infinera may not have enough time to reduce operating expenses to minimize the effect of the lost revenue on Infinera's business. Infinera's operating results will continue to depend on its ability to sell its products to its key customers.

**Increased consolidation among Infinera's customers in the communications networking industry has and could continue to adversely affect Infinera's business and results of operations.**

Infinera has seen increased consolidation in the communications networking industry over the past few years, which has adversely affected Infinera's business and results of operations. For example, during 2016, Charter Communications completed its acquisition of Time Warner Cable, Inc. and Altice completed its acquisition of Cablevision, and during the first quarter of 2017, Verizon completed its acquisition of XO Communications. In addition, in November 2017, CenturyLink completed its acquisition of Level 3 Communications. Customer consolidation has led to changes in buying patterns, slowdowns in spending, redeployment of existing equipment and re-architecture of parts of existing networks or future networks, as the combined companies evaluate the needs of the combined business. Moreover, the significant purchasing power of these large companies can increase pricing and competitive pressures for Infinera, including the potential for decreases in Infinera's average selling prices. If one of Infinera's customers is acquired by another company that does not rely on Infinera to provide it with products or relies on another provider of similar products, Infinera may lose that customer's business. Such consolidation may further reduce the number of customers that generate a significant percentage

of Infinera's revenue and may exacerbate the risks relating to dependence on a small number of customers. Any of the foregoing results will adversely affect Infinera's business, financial condition and results of operations.

**Infinera's gross margin may fluctuate from period to period and may be adversely affected by a number of factors, some of which are beyond Infinera's control.**

Infinera's gross margin fluctuates from period to period and varies by customer and by product. Over the past eight fiscal quarters, Infinera's gross margin has ranged from 24.1% to 47.8%. Infinera's gross margin is likely to continue to fluctuate and will be affected by a number of factors, including:

- the mix of the types of customers purchasing Infinera's products as well as the product mix;
- the initial products released powered by Infinera's next-generation technologies generate lower margin initially, as per unit production costs for initial units tend to be higher and experience more variability in production yields;
- the pace at which Infinera deploys solutions powered by Infinera's next generation technologies, which could lead to higher excess or obsolete inventory;
- significant new deployments to existing and new customers, often with a higher portion of lower margin common equipment as Infinera deploys network footprint;
- aggressive pricing tactics by Infinera's competitors;
- changes in Infinera's manufacturing costs, including fluctuations in yields and production volumes;
- pricing and commercial terms designed to secure long-term customer relationships, as well as commercial deals to transition certain customers to Infinera's new products;
- consolidation amongst Infinera's suppliers, which may increase prices of components for Infinera's products;
- the volume of Infinera Instant Bandwidth-enabled solutions sold, and capacity licenses activated;
- price discounts negotiated by Infinera's customers;
- charges for excess or obsolete inventory;
- changes in the price or availability of components for Infinera's products, including the possible effect of new or increased tariffs on the prices of raw materials used in such components; and
- changes in warranty related costs.

It is likely that the average unit prices of Infinera's products will decrease over time in response to competitive pricing pressures. In addition, some of Infinera's customer contracts contain clauses that require Infinera to annually decrease the sales price of Infinera's products to these customers. In response, Infinera will need to reduce the cost of Infinera's products through manufacturing efficiencies, design improvements and cost reductions from Infinera's supply partners. If these efforts are not successful or if Infinera is unable to reduce its costs by more than the reduction in the price of its products, Infinera's gross margin will decline, causing its operating results to decline. Fluctuations in gross margin may make it difficult to manage Infinera's business and achieve or maintain profitability.

**Aggressive business tactics by Infinera's competitors may harm Infinera's business.**

The markets in which Infinera competes are extremely competitive and this often results in aggressive business tactics by Infinera's competitors, including:

- aggressively pricing their optical transport products and other portfolio products, including offering significant one-time discounts and guaranteed future price decreases;
- offering optical products at a substantial discount or for free when bundled together with broader technology purchases, such as router or wireless equipment purchases;
- providing financing, marketing and advertising assistance to customers; and
- influencing customer requirements to emphasize different product capabilities, which better suit their products.

The level of competition and pricing pressure tend to increase when competing for larger high-profile opportunities or during periods of economic weakness when there are fewer network build-out projects. If Infinera fails to compete successfully against its current and future competitors, or if Infinera's current or future competitors continue or expand their aggressive business tactics, including those described above, demand for its products could decline, Infinera could experience delays or cancellations of customer orders, and/or Infinera could be required to reduce its prices to compete in the market.

**Actions that Infinera is taking to restructure its business to cut costs in order to align its operating structure with current opportunities may not be as effective as anticipated.**

In November 2017, Infinera implemented a plan to restructure its worldwide operations (the "2017 Restructuring Plan") in order to reduce expenses and establish a more cost-effective structure that better aligns Infinera's operations with its long-term strategies. As part of the 2017 Restructuring Plan, Infinera hopes to reduce expenses, streamline the organization, and reallocate resources to align more closely with its needs going forward. While Infinera expects to realize efficiencies from these actions, these activities might not produce the full efficiency and cost reduction benefits it expects. Further, such benefits may be realized later than expected, and the ongoing costs of implementing these measures may be greater than anticipated. In addition, as a result of the restructuring, Infinera's ability to execute on product development, address key market opportunities and/or meet customer demand, could be materially and adversely affected.

**If Infinera loses key personnel or fails to attract and retain additional qualified personnel when needed, Infinera's business may be harmed.**

Infinera's success depends to a significant degree upon the continued contributions of Infinera's key management, engineering, sales and marketing, and finance personnel, many of whom would be difficult to replace. For example, senior members of Infinera's engineering team have unique technical experience that would be difficult to replace. Infinera does not have long-term employment contracts or key person life insurance covering any of Infinera's key personnel. Because Infinera's products are complex, it must hire and retain highly trained customer service and support personnel to ensure that the deployment of its products does not result in network disruption for its customers. Infinera believes its future success will depend in large part upon its ability to identify, attract and retain highly skilled personnel. Competition for these individuals is intense in Infinera's industry, especially in the San Francisco Bay Area where Infinera is headquartered. Infinera may not succeed in identifying, attracting and retaining appropriate personnel. The loss of the services of any of Infinera's key personnel, the inability to identify, attract or retain qualified personnel in the future or delays in hiring qualified personnel, particularly engineers and sales personnel, could make it difficult for Infinera to manage its business and meet key objectives, such as timely product introductions.

**The markets in which Infinera competes are highly competitive and Infinera may not be able to compete effectively.**

Competition in the optical transport networking equipment market is intense. Infinera's main competitors include WDM system suppliers, such as Adva, Ciena, Cisco, Coriant, Fujitsu, Huawei, Nokia and ZTE. In addition, there are several smaller but established companies that offer one or more products that compete with Infinera's offerings.

Competition in the markets Infinera serves is based on any one or a combination of the following factors:

- price and other commercial terms;
- functionality;
- existing business and customer relationships;
- the ability of products and services to meet customers' immediate and future network requirements;
- power consumption;
- heat dissipation;
- form factor or density;
- installation and operational simplicity;
- service and support;
- security and encryption requirements;

- scalability and investment protection; and
- product lead times.

In addition to Infinera's current competitors, other companies have, or may in the future develop, products that are or could be competitive with Infinera's products. Infinera also could encounter competitor consolidation in the markets in which it competes, which could lead to a changing competitive landscape, capabilities and market share, and could impact Infinera's results of operations.

Some of Infinera's competitors have substantially greater name recognition, technical, financial and marketing resources, and better established relationships with potential customers than it has. Many of Infinera's competitors have more resources and more experience in developing or acquiring new products and technologies, and in creating market awareness for those products and technologies. In addition, many of Infinera's competitors have the financial resources to offer competitive products at aggressive pricing levels that could prevent Infinera from competing effectively. Further, many of Infinera's competitors have built long-standing relationships with some of Infinera's prospective and existing customers and have the ability to provide financing to customers and could, therefore, have an inherent advantage in selling products to those customers.

Infinera also competes with low-cost producers that can increase pricing pressure on Infinera and a number of smaller companies that provide competition for a specific product, customer segment or geographic market. In addition, Infinera may also face increased competition from system and component companies that develop products based on off-the-shelf hardware that offers the latest commercially available technologies. Due to the narrower focus of their efforts, these competitors may achieve commercial availability of their products more quickly than Infinera can and may provide attractive alternatives to Infinera's customers.

**Infinera must respond to rapid technological change and comply with evolving industry standards and requirements for Infinera's products to be successful.**

The optical transport networking equipment market is characterized by rapid technological change, changes in customer requirements and evolving industry standards. Infinera continually invests in research and development to sustain or enhance Infinera's existing products, but the introduction of new communications technologies and the emergence of new industry standards or requirements could render Infinera's products obsolete. Further, in developing Infinera's products, it has made, and will continue to make, assumptions with respect to which standards or requirements will be adopted by Infinera's customers and competitors. If the standards or requirements adopted by Infinera's prospective customers are different from those on which Infinera has focused its efforts, market acceptance of Infinera's products would be reduced or delayed and Infinera's business would be harmed.

Infinera is continuing to invest a significant portion of Infinera's research and development efforts in the development of Infinera's next-generation products. Infinera expects its competitors will continue to improve the performance of their existing products and introduce new products and technologies and to influence customers' buying criteria so as to emphasize product capabilities that Infinera does not, or may not, possess. To be competitive, Infinera must anticipate future customer requirements and continue to invest significant resources in research and development, sales and marketing, and customer support. If Infinera does not anticipate these future customer requirements and invest in the technologies necessary to enable it to have and to sell the appropriate solutions, it may limit Infinera's competitive position and future sales, which would have an adverse effect on Infinera's business and financial condition. Infinera may not have sufficient resources to make these investments and it may not be able to make the technological advances necessary to be competitive.

**The manufacturing process for Infinera's PICs is very complex and the partial or complete loss of Infinera's manufacturing facilities, or a reduction in yields or an inability to scale capacity to meet customer demands could harm Infinera's business.**

The manufacturing process for Infinera's PICs and certain components of Infinera's products is very complex. In the event that any of the manufacturing facilities utilized to build these components were fully or partially destroyed, as a result of fire, water damage, or otherwise, it would limit Infinera's ability to produce its products. Because of the complex nature of Infinera's manufacturing facilities, such loss would take a considerable amount of time to repair or rebuild. The partial or complete loss of any of Infinera's manufacturing facilities, or an event causing the interruption in Infinera's use of such facility for any extended period of time would cause Infinera's business, financial condition and operating results to be harmed.

Minor deviations in the PIC manufacturing process can cause substantial decreases in yields and, in some cases, cause production to be suspended. In the past, Infinera has had significant variances in Infinera's PIC yields, including production interruptions and suspensions and may have continued yield variances, including additional interruptions or suspensions in the future. Lower than expected yields from Infinera's PIC manufacturing process or defects, integration issues or other performance problems in Infinera's products could limit its ability to satisfy customer demand requirements, and could damage customer relations and cause business reputation problems, harming its business and operating results.

Infinera's inability to obtain sufficient manufacturing capacity to meet demand, either in Infinera's own facilities or through foundry or similar arrangements with third parties, could harm Infinera's relationships with its customers, its business and its operating results.

**Infinera's large customers have substantial negotiating leverage, which may cause Infinera to agree to terms and conditions that result in decreased revenue due to lower average selling prices and potentially increased cost of sales leading to lower gross margin, all of which would harm Infinera's operating results.**

Many of Infinera's customers are large service providers that have substantial purchasing power and leverage in negotiating contractual arrangements with Infinera. In addition, customer consolidation in the past few years has created combined companies that are even larger and have greater negotiating leverage. Infinera's customers have and may continue to seek advantageous pricing, payment and other commercial terms. Infinera has and may continue to agree to unfavorable commercial terms with these customers, including the potential of reducing the average selling price of its products, increasing cost of sales or agreeing to extended payment terms in response to these commercial requirements or competitive pricing pressures. To maintain acceptable operating results, Infinera will need to comply with these commercial terms, develop and introduce new products and product enhancements on a timely basis, and continue to reduce its costs.

**Infinera is dependent on sole source and limited source suppliers for several key components, and if it fails to obtain these components on a timely basis, Infinera will not meet its customers' product delivery requirements.**

Infinera currently purchases several key components for its products from sole or limited sources. In particular, Infinera relies on its own production of certain components of its products, such as PICs, and on third parties, including sole source and limited source suppliers, for certain of the components of its products, including ASICs, field-programmable gate arrays, processors, and other semiconductor and optical components. Infinera has increased its reliance on third parties to develop and manufacture components for certain products, some of which require custom development. Infinera purchases most of these components on a purchase order basis and only have long-term contracts with these sole source or limited source suppliers. If any of Infinera's sole source or limited source suppliers suffer from capacity constraints, lower than expected yields, deployment delays, work stoppages or any other reduction or disruption in output, they may be unable to meet Infinera's delivery schedule which could result in lost revenue, additional product costs and deployment delays that could harm Infinera's business and customer relationships. Further, Infinera's suppliers could enter into exclusive arrangements with Infinera's competitors, refuse to sell their products or components to Infinera at commercially reasonable prices or at all, go out of business or discontinue their relationships with Infinera. Infinera may be unable to develop alternative sources for these components.

The loss of a source of supply, or lack of sufficient availability of key components, could require Infinera to redesign products that use such components, which could result in lost revenue, additional product costs and deployment delays that could harm Infinera's business and customer relationships. In addition, if Infinera's contract manufacturers do not receive critical components in a timely manner to build Infinera's products, then Infinera would not be able to ship in a timely manner and would, therefore, be unable to meet its prospective customers' product delivery requirements. In the past, Infinera has experienced delivery delays because of lack of availability of components or reliability issues with components that it was purchasing. In addition, some of Infinera's suppliers have gone out of business, merged with another supplier, or limited their supply of components to Infinera, which may cause Infinera to experience longer than normal lead times, supply delays and increased prices. Infinera may in the future experience a shortage of certain components as a result of its own manufacturing issues, manufacturing issues at its suppliers or contract manufacturers, capacity problems experienced by its suppliers or contract manufacturers, strong demand in the industry for such components, or other disruptions in Infinera's supply chain. In addition, global macroeconomic conditions are likely to continue to create pressure on Infinera and its suppliers to accurately project overall component demand and manufacturing capacity. These supplier disruptions may continue to occur in the future, which could limit Infinera's ability to produce its products and cause Infinera to fail to meet a customer's delivery requirements.

Any failure to meet Infinera's customers' product delivery requirements could harm its reputation and its customer relationships, either of which would harm Infinera's business and operating results.

**If Infinera fails to accurately forecast its manufacturing requirements or customer demand, Infinera could incur additional costs, including inventory write-downs or equipment write-offs, which would adversely affect Infinera's business and results of operations.**

Infinera generates forecasts of future demand for its products several months prior to the scheduled delivery to its prospective customers. This requires Infinera to make significant investments before it knows if corresponding revenue will be recognized. Lead times for materials and components, including ASICs, that Infinera needs to order for the manufacture of its products vary significantly and depend on factors such as the specific supplier, contract terms and demand for each component at a given time. In the past, Infinera has experienced lengthening in lead times for certain components. If the lead times for components are lengthened, Infinera may be required to purchase increased levels of such components to satisfy its delivery commitments to its customers. In addition, Infinera must manage its inventory to ensure it continues to meet its commitments as it introduces new products or makes enhancements to its existing products.

If Infinera overestimates market demand for its products and, as a result, increase its inventory in anticipation of customer orders that do not materialize, it will have excess inventory, which could result in increased risk of obsolescence and significant inventory write-downs. Furthermore, this will result in reduced production volumes and Infinera's fixed costs will be spread across fewer units, increasing Infinera's per unit costs. If Infinera underestimates demand for its products, it will have inadequate inventory, which could slow down or interrupt the manufacturing of its products and result in delays in shipments and its ability to recognize revenue. In addition, Infinera may be unable to meet its supply commitments to customers, which could result in a loss of certain customer opportunities or a breach of its customer agreements resulting in payment of damages.

**Product performance problems, including undetected errors in Infinera's hardware or software, or deployment delays could harm Infinera's business and reputation.**

The development and production of products with high technology content is complicated and often involves problems with software, components and manufacturing methods. Complex hardware and software systems, such as Infinera's products, can often contain undetected errors when first introduced or as new versions are released. In addition, errors associated with components Infinera purchases from third parties, including customized components, may be difficult to resolve. Infinera has experienced issues in the past in connection with its products, including failures due to the receipt of faulty components from its suppliers. In addition, performance issues can be heightened during periods where Infinera is developing and introducing multiple new products to the market, as any performance issues Infinera encounters in one technology or product could impact the performance or timing of delivery of other products. Infinera's products may suffer degradation of performance and reliability over time.

If reliability, quality or network monitoring problems develop, a number of negative effects on Infinera's business could result, including:

- reduced orders from existing customers;
- declining interest from potential customers;
- delays in Infinera's ability to recognize revenue or in collecting accounts receivables;
- costs associated with fixing hardware or software defects or replacing products;
- high service and warranty expenses;
- delays in shipments;
- high inventory excess and obsolescence expense;
- high levels of product returns;
- diversion of Infinera's engineering personnel from Infinera's product development efforts; and
- payment of liquidated damages, performance guarantees or similar penalties.

Because Infinera outsources the manufacturing of certain components of its products, it may also be subject to product performance problems as a result of the acts or omissions of third parties.

From time to time, Infinera encounters interruptions or delays in the activation of its products at a customer's site. These interruptions or delays may result from product performance problems or from issues with installation and activation, some of which are outside Infinera's control. If Infinera experiences significant interruptions or delays that it cannot promptly resolve, the associated revenue for these installations may be delayed or confidence in Infinera's products could be undermined, which could cause Infinera to lose customers and fail to add new customers.

**If Infinera's contract manufacturers do not perform as it expects, Infinera's business may be harmed.**

Infinera relies on third party contract manufacturers to perform a portion of the manufacturing of Infinera's products, and Infinera's future success will depend on its ability to have sufficient volumes of Infinera's products manufactured in a cost-effective and quality-controlled manner. Infinera has engaged third parties to manufacture certain elements of Infinera's products at multiple contract manufacturing sites located around the world but do not have long-term agreements in place with some of Infinera's manufacturers and suppliers that will guarantee product availability, or the continuation of particular pricing or payment terms. There are a number of risks associated with Infinera's dependence on contract manufacturers, including:

- reduced control over delivery schedules, particularly for international contract manufacturing sites;
- reliance on the quality assurance procedures of third parties;
- potential uncertainty regarding manufacturing yields and costs;
- potential lack of adequate capacity during periods of high demand;
- limited warranties on components;
- potential misappropriation of Infinera's intellectual property; and
- potential manufacturing disruptions (including disruptions caused by geopolitical events, military actions or natural disasters).

Any of these risks could impair Infinera's ability to fulfil orders. Any delays by Infinera's contract manufacturers may cause us to be unable to meet the delivery requirements of Infinera's customers, which could decrease customer satisfaction and harm Infinera's product sales. In addition, if Infinera's contract manufacturers are unable or unwilling to continue manufacturing Infinera's products or components of Infinera's products in required volumes or Infinera's relationship with any of Infinera's contract manufacturers is discontinued for any reason, Infinera would be required to identify and qualify alternative manufacturers, which could cause Infinera to be unable to meet its supply requirements to its customers and result in the breach of its customer agreements. Qualifying a new contract manufacturer and commencing volume production is expensive and time-consuming and if Infinera is required to change or qualify a new contract manufacturer, it could lose revenue and damage its customer relationships.

**Infinera's sales cycle can be long and unpredictable, which could result in an unexpected revenue shortfall in any given quarter.**

Infinera's products can have a lengthy sales cycle, which can extend from six to twelve months and may take even longer for larger prospective customers. Infinera's prospective customers conduct significant evaluation, testing, implementation and acceptance procedures before they purchase Infinera's products. Infinera incurs substantial sales and marketing expenses and expend significant management effort during this time, regardless of whether Infinera makes a sale.

Because the purchase of Infinera's equipment involves substantial cost, most of Infinera's customers wait to purchase Infinera's equipment until they are ready to deploy it in their network. As a result, it is difficult for Infinera to accurately predict the timing of future purchases by its customers. In addition, product purchases are often subject to budget constraints, multiple approvals and unplanned administrative processing and other delays. If sales expected from customers for a particular quarter are not realized in that quarter or at all, Infinera's revenue will be negatively impacted.

**If Infinera needs additional capital in the future, it may not be available to Infinera on favorable terms, or at all.**

Infinera's business requires significant capital. Infinera has historically relied on outside debt or equity financing as well as cash flow from operations to fund Infinera's operations, capital expenditures and expansion. Infinera may require additional capital from equity or debt financings in the future to fund its operations, respond to

competitive pressures or strategic opportunities or to refinance Infinera's existing debt obligations. In the event that Infinera requires additional capital, it may not be able to secure timely additional financing on favorable terms, or at all. The terms of any additional financing may place limits on Infinera's financial and operating flexibility. If Infinera raises additional funds through further issuances of equity, convertible debt securities or other securities convertible into equity, its existing stockholders could suffer dilution in their percentage ownership of Infinera, and any new securities it issues could have rights, preferences and privileges senior to those of holders of Infinera's common stock. If Infinera is unable to obtain adequate financing or financing on terms satisfactory to Infinera, if and when required, Infinera's ability to grow or support its business and to respond to business challenges could be limited and its business will be harmed.

**Infinera's debt obligations may adversely affect its ability to raise additional capital and will be a burden on its future cash resources, particularly upon settlement of any conversions of the Notes or upon maturity or required repurchase of the Notes.**

In May 2013, Infinera issued the \$150.0 million of 1.75% convertible senior notes due June 1, 2018 (the "Notes"). The degree to which Infinera is leveraged could have important consequences, including, but not limited to, the following:

- Infinera's ability to obtain additional financing in the future for working capital, capital expenditures, acquisitions, litigation, general corporate or other purposes may be limited; and
- a substantial portion of Infinera's future cash balance may be dedicated to the repayment of the principal of Infinera's indebtedness as Infinera has stated the intention to pay the principal amount of the Notes in cash upon conversion or when otherwise due, such that Infinera would not have those funds available for use in its business.

Infinera's ability to meet its payment obligations under its debt instruments, including the Notes, which mature on June 1, 2018 and require cash to be paid upon conversion, maturity or required repurchase thereof, depends on Infinera's future cash flow performance. This, to some extent, is subject to general economic, financial, competitive, legislative and regulatory factors, as well as other factors that may be beyond Infinera's control. There can be no assurance that Infinera's business will generate positive cash flow from operations, or that additional capital will be available to Infinera, in an amount sufficient to enable Infinera to meet its debt payment obligations and to fund other liquidity needs. If Infinera is unable to generate sufficient cash flow to service Infinera's debt obligations, it may need to refinance or restructure its debt, sell assets, reduce or delay capital investments, or seek to raise additional capital. If Infinera were unable to implement one or more of these alternatives, it may be unable to meet its debt payment obligations. As a result, Infinera may be more vulnerable to economic downturns, less able to withstand competitive pressures and less flexible in responding to changing business and economic conditions.

**If Infinera fails to protect its intellectual property rights, its competitive position could be harmed or it could incur significant expense to enforce its rights.**

Infinera depends on its ability to protect its proprietary technology. Infinera relies on a combination of methods to protect its intellectual property, including limiting access to certain information, and utilizing trade secret, patent, copyright and trademark laws and confidentiality agreements with employees and third parties, all of which offer only limited protection. The steps Infinera has taken to protect its proprietary rights may be inadequate to preclude misappropriation or unauthorized disclosure of its proprietary information or infringement of its intellectual property rights, and its ability to police such misappropriation, unauthorized disclosure or infringement is uncertain, particularly in countries outside of the United States. This is likely to become an increasingly important issue if Infinera expands its operations and product development into countries that provide a lower level of intellectual property protection. Infinera does not know whether any of our pending patent applications will result in the issuance of patents or whether the examination process will require it to narrow its claims, and even if patents are issued, they may be contested, circumvented or invalidated. Moreover, the rights granted under any issued patents may not provide Infinera with a competitive advantage, and, as with any technology, competitors may be able to develop similar or superior technologies to Infinera's own now or in the future.

Protecting against the unauthorized use of Infinera's products, trademarks and other proprietary rights is expensive, difficult, time consuming and, in some cases, impossible. Litigation may be necessary in the future to enforce or defend Infinera's intellectual property rights, to protect Infinera's trade secrets or to determine the validity or scope of the proprietary rights of others. Such litigation could result in substantial cost and diversion of management resources, either of which could harm Infinera's business, financial condition and operating results. Furthermore, many of Infinera's current and potential competitors have the ability to dedicate

substantially greater resources to enforce their intellectual property rights than Infinera does. Accordingly, despite Infinera's efforts, it may not be able to prevent third parties from infringing upon or misappropriating Infinera's intellectual property.

### **Claims by others that Infinera infringes their intellectual property could harm Infinera's business.**

Infinera's industry is characterized by the existence of a large number of patents and frequent claims and related litigation regarding patent and other intellectual property rights. In particular, many leading companies in the optical transport networking industry, including Infinera's competitors, have extensive patent portfolios with respect to optical transport networking technology. In addition, patent holding companies seek to monetize patents they have purchased or otherwise obtained. Infinera expects that infringement claims may increase as the number of products and competitors in Infinera's market increases and overlaps occur. From time to time, third parties may assert exclusive patent, copyright, trademark and other intellectual property rights to technologies and related standards that are important to Infinera's business or seek to invalidate the proprietary rights that Infinera holds. Competitors or other third parties have, and may continue to assert claims or initiate litigation or other proceedings against Infinera or its manufacturers, suppliers or customers alleging infringement of their proprietary rights, or seeking to invalidate Infinera's proprietary rights, with respect to its products and technology. In addition, Infinera has had certain patent licenses with third parties that have not been renewed, and if Infinera cannot successfully renew these licenses, it could face claims of infringement. In the event that Infinera is unsuccessful in defending against any such claims, or any resulting lawsuit or proceedings, it could incur liability for damages and/or have valuable proprietary rights invalidated.

Any claim of infringement from a third party, even one without merit, could cause Infinera to incur substantial costs defending against the claim, and could distract Infinera's management from running its business. Furthermore, a party making such a claim, if successful, could secure a judgment that requires Infinera to pay substantial damages or could include an injunction or other court order that could prevent Infinera from offering its products. In addition, Infinera might be required to seek a license for the use of such intellectual property, which may not be available on commercially reasonable terms or at all. Alternatively, Infinera may be required to develop non-infringing technology, which would require significant effort and expense and may ultimately not be successful. Any of these events could harm Infinera's business, financial condition and operating results. Competitors and other third parties have and may continue to assert infringement claims against Infinera's customers and sales partners. Any of these claims would require Infinera to initiate or defend potentially protracted and costly litigation on their behalf, regardless of the merits of these claims, because Infinera generally indemnifies its customers and sales partners from claims of infringement of proprietary rights of third parties. If any of these claims succeed, Infinera may be forced to pay damages on behalf of its customers or sales partners, which could have an adverse effect on its business, financial condition and operating results.

Infinera may also be required to indemnify some customers under Infinera's contracts if a third party alleges, or a court finds, that Infinera's products have infringed upon the proprietary rights of other parties. From time to time, Infinera has agreed to indemnify certain customers for claims made against Infinera's products, where such claims allege infringement of third party intellectual property rights, including, but not limited to, patents, registered trademarks and/or copyrights. If Infinera is required to make a significant payment under any of Infinera's indemnification obligations, its result of operations may be harmed.

Infinera incorporates free and open source licensed software into its products. Although Infinera monitors its use of such open source software closely, the terms of many open source licenses have not been interpreted by U.S. courts, and there is a risk that such licenses could be construed in a manner that could impose unanticipated conditions or restrictions on Infinera's ability to commercialize Infinera's products. In addition, non-compliance with open source software license terms and conditions could subject Infinera to potential liability, including intellectual property infringement and/or contract claims. In such events, Infinera may be required to seek licenses from third parties in order to continue offering Infinera's products, to re-engineer Infinera's products or to discontinue the sale of Infinera's products in the event re-engineering cannot be accomplished in a timely manner, any of which could adversely affect Infinera's business, operating results and financial condition.

### **Unfavorable macroeconomic and market conditions may adversely affect Infinera's industry, business and financial results.**

Infinera's business depends on the overall demand for additional bandwidth capacity and on the economic health and willingness of Infinera's customers and potential customers to make capital commitments to purchase Infinera's products and services. As a result of macroeconomic or market uncertainty, Infinera may face new

risks that it has not yet identified. In addition, a number of the risks associated with Infinera's business, which are disclosed in these risk factors, may increase in likelihood, magnitude or duration.

In the past, unfavorable macroeconomic and market conditions have resulted in sustained periods of decreased demand for optical communications products. These conditions may also result in the tightening of credit markets, which may limit or delay Infinera's customers' ability to obtain necessary financing for their purchases of Infinera's products. A lack of liquidity in the capital markets or the continued uncertainty in the global economic environment may cause Infinera's customers to delay or cancel their purchases, increase the time they take to pay or default on their payment obligations, each of which would negatively affect Infinera's business and operating results. Weakness and uncertainty in the global economy could cause some of Infinera's customers to become illiquid, delay payments or adversely affect Infinera's collection of their accounts, which could result in a higher level of bad debt expense. In addition, currency fluctuations could negatively affect Infinera's international customers' ability or desire to purchase Infinera's products.

Challenging economic conditions have from time to time contributed to slowdowns in the telecommunications industry in which Infinera operates. Such slowdowns may result in:

- reduced demand for Infinera's products as a result of constraints on capital spending by Infinera's customers;
- increased price competition for Infinera's products, not only from Infinera's competitors, but also as a result of Infinera's customer's or potential customer's utilization of inventoried or underutilized products, which could put additional downward pressure on Infinera's near term gross profits;
- risk of excess or obsolete inventories;
- excess manufacturing capacity and higher associated overhead costs as a percentage of revenue; and
- more limited ability to accurately forecast Infinera's business and future financial performance.

A lack of liquidity and economic uncertainty may adversely affect Infinera's suppliers or the terms on which Infinera purchases products from these suppliers. It may also cause some of Infinera's suppliers to become illiquid. Any of these impacts could limit Infinera's ability to obtain components for Infinera's products from these suppliers and could adversely impact Infinera's supply chain or the delivery schedule to Infinera's customers. This also could require Infinera to purchase more expensive components, or re-design Infinera's products, which could cause increases in the cost of Infinera's products and delays in the manufacturing and delivery of Infinera's products. Such events could harm Infinera's gross margin and harm Infinera's reputation and Infinera's customer relationships, either of which could harm Infinera's business and operating results.

**Infinera's international sales and operations subject it to additional risks that may harm its operating results.**

Sales of Infinera's products into international markets are an important part of Infinera's business. During the first quarter of fiscal year 2018, fiscal year 2017 and fiscal year 2016, Infinera derived approximately 36%, 42% and 38%, respectively, of Infinera's revenue from customers outside of the United States. Infinera expects that significant management attention and financial resources will be required for Infinera's international activities over the foreseeable future as Infinera continues to operate in international markets. In some countries, Infinera's success in selling Infinera's products and growing revenue will depend in part on Infinera's ability to form relationships with local partners. Infinera's inability to identify appropriate partners or reach mutually satisfactory arrangements for international sales of Infinera's products could impact its ability to maintain or increase international market demand for Infinera's products. In addition, many of the companies Infinera competes against internationally have greater name recognition and a more substantial sales and marketing presence.

Infinera has sales and support personnel in numerous countries worldwide. In addition, Infinera has established development centers in Canada, India and Sweden. There is no assurance that Infinera's reliance upon development resources in international locations will enable it to achieve meaningful cost reductions or greater resource efficiency.

Infinera's international operations are subject to inherent risks, and Infinera's future results could be adversely affected by a variety of factors, many of which are outside of Infinera's control, including:

- greater difficulty in collecting accounts receivable and longer collection periods;

- difficulties of managing and staffing international offices, and the increased travel, infrastructure and legal compliance costs associated with multiple international locations;
- political, social and economic instability, including wars, terrorism, political unrest, boycotts, curtailment of trade and other business restrictions;
- tariff and trade barriers and other regulatory requirements or contractual limitations on Infinera's ability to sell or develop Infinera's products in certain foreign markets;
- less effective protection of intellectual property than is afforded to Infinera in the United States or other developed countries;
- local laws and practices that favor local companies, including business practices that Infinera is prohibited from engaging in by the Foreign Corrupt Practices Act and other anti-corruption laws and regulations;
- potentially adverse tax consequences; and
- effects of changes in currency exchange rates, particularly relative increases in the exchange rate of the U.S. dollar versus other currencies that could negatively affect Infinera's financial results and cash flows.

International customers may also require that Infinera comply with certain testing or customization of Infinera's products to conform to local standards. The product development costs to test or customize Infinera's products could be extensive and a material expense for Infinera.

Infinera's international operations are subject to increasingly complex foreign and U.S. laws and regulations, including but not limited to anti-corruption laws, such as the Foreign Corrupt Practices Act and the UK Bribery Act and equivalent laws in other jurisdictions, antitrust or competition laws, and data privacy laws, among others. Violations of these laws and regulations could result in fines and penalties, criminal sanctions against Infinera, its officers, or its employees, prohibitions on the conduct of its business and on its ability to offer Infinera's products and services in one or more countries, and could also materially affect Infinera's reputation, its international expansion efforts, its ability to attract and retain employees, its business, and its operating results. Although Infinera has implemented policies, procedures and training designed to ensure compliance with these laws and regulations, there can be no complete assurance that any individual employee, contractor or agent will not violate Infinera's policies. Additionally, the costs of complying with these laws (including the costs of investigations, auditing and monitoring) could also adversely affect Infinera's current or future business.

As Infinera continues to expand its business globally, Infinera's success will depend, in large part, on its ability to effectively anticipate and manage these and other risks and expenses associated with its international operations. For example, political instability and uncertainty in the European Union and, in particular, the United Kingdom's pending exit from the E.U. (Brexit) as well as other countries potentially choosing to exit the E.U., could slow economic growth in the region, affect foreign exchange rates, and could further discourage near-term economic activity, including Infinera's customers delaying purchases of Infinera's products. Infinera's failure to manage any of these risks successfully could harm Infinera's international operations and reduce Infinera's international sales, and business generally, adversely affecting Infinera's business, operating results and financial condition.

#### **Infinera may be adversely affected by fluctuations in currency exchange rates.**

A portion of Infinera's sales and expenses stem from countries outside of the United States, and are in currencies other than U.S. dollars, and therefore subject to foreign currency fluctuation. Accordingly, fluctuations in foreign currency rates could have a material impact on Infinera's financial results in future periods. Infinera may enter into other financial contracts to reduce the impact of foreign currency fluctuations. Infinera currently enters into foreign currency exchange forward contracts to reduce the impact of foreign currency fluctuations on accounts receivable, and also to reduce the volatility of cash flows primarily related to forecasted foreign currency revenue and expenses. These forward contracts reduce the impact of currency exchange rate movements on certain transactions, but do not cover all foreign-denominated transactions and therefore do not entirely eliminate the impact of fluctuations in exchange rates that could negatively affect Infinera's results of operations and financial condition.

#### **Infinera's effective tax rate may increase or fluctuate, which could increase Infinera's income tax expense and reduce Infinera's net income.**

Infinera's effective tax rate can be adversely affected by several factors, many of which are outside of Infinera's control, including:

- changes in the valuation of Infinera's deferred tax assets and liabilities, and in deferred tax valuation allowances;
- changes in the relative proportions of revenue and income before taxes in the various jurisdictions in which Infinera operates that have differing statutory tax rates;
- changing tax laws, regulations, rates and interpretations in multiple jurisdictions in which Infinera operates;
- changes in accounting and tax treatment of equity-based compensation;
- changes to the financial accounting rules for income taxes; and
- the resolution of issues arising from tax audits.

The international tax environment continues to change as a result of both coordinated actions by governments and unilateral measures designed by individual countries, both intended to tackle concerns over base erosion and profit shifting ("BEPS") and perceived international tax avoidance techniques. The recommendations of the BEPS Project led by the Organization for Economic Cooperation and Development are involved in much of the coordinated activity, although the timing and methods of implementation vary. In addition, U.S. tax reform continues to be a priority for the current administration, and changes to the Tax Act could adversely affect Infinera's effective tax rate and Infinera's results of operations.

**If Infinera fails to maintain effective internal control over financial reporting in the future, the accuracy and timing of Infinera's financial reporting may be adversely affected.**

Infinera is required to comply with Section 404 of the Sarbanes-Oxley Act of 2002. The provisions of the act require, among other things, that Infinera maintains effective internal control over financial reporting and disclosure controls and procedures. Preparing Infinera's financial statements involves a number of complex processes, many of which are done manually and are dependent upon individual data input or review. These processes include, but are not limited to, calculating revenue, deferred revenue and inventory costs. While Infinera continues to automate its processes and enhance its review and put in place controls to reduce the likelihood for errors, Infinera expects that for the foreseeable future, many of its processes will remain manually intensive and thus subject to human error.

**Any acquisitions Infinera makes could disrupt its business and harm its financial condition and operations.**

Infinera may make strategic acquisitions of businesses, technologies and other assets. If Infinera is not able to achieve the anticipated strategic benefits of such acquisitions, it could adversely affect Infinera's business, financial condition and results of operations. In addition, the market price of the Shares could be adversely affected if the integration or the anticipated financial and strategic benefits of such acquisitions are not realized as rapidly as, or to the extent anticipated by investors and securities analysts.

The expansion of Infinera's business through acquisitions allows Infinera to complement Infinera's technological capabilities and address new markets. In the event of any future acquisitions, Infinera may not ultimately strengthen Infinera's competitive position or achieve Infinera's goals, or they may be viewed negatively by customers, financial markets or investors and Infinera could:

- issue stock that would dilute Infinera's current stockholders' percentage ownership;
- incur debt and assume other liabilities;
- use a substantial portion of Infinera's cash resources; or
- incur amortization expenses related to other intangible assets and/or incur large and write-offs.

Acquisitions can result in adverse tax consequences, warranty or product liability exposure related to acquired assets, additional stock-based compensation expense, and write-up of acquired inventory to fair value. In addition, Infinera may record goodwill and other purchased intangible assets in connection with an acquisition and incur impairment charges in the future. If Infinera's actual results, or the plans and estimates used in future impairment analyses, are less favorable than the original estimates used to assess the recoverability of these assets, Infinera could incur additional impairment charges.

Acquisitions also involve numerous risks that could disrupt Infinera's ongoing business and distract Infinera's management team, including:

- problems integrating the acquired operations, technologies or products with Infinera's own;
- diversion of management's attention from Infinera's core business;
- adverse impact on overall company operating results;
- adverse effects on existing business relationships with suppliers and customers;
- risks associated with entering new markets; and
- loss of key employees.

Infinera's failure to adequately manage the risks associated with an acquisition could have an adverse effect on Infinera's business, financial condition and operating results.

#### **Unforeseen health, safety and environmental costs could harm Infinera's business.**

Infinera's manufacturing operations use substances that are regulated by various federal, state and international laws governing health, safety and the environment, including the Waste Electrical and Electronic Equipment Directive, Directive on the Restriction of the Use of Certain Hazardous Substances in Electrical and Electronic Equipment, and the Registration, Evaluation, Authorization, and Restriction of Chemicals regulations adopted by the European Union. If Infinera experiences a problem with complying with these regulations, it could cause an interruption or delay in Infinera's manufacturing operations or could cause Infinera to incur liabilities for any costs related to health, safety or environmental remediation. Infinera could also be subject to liability if Infinera does not handle these substances in compliance with safety standards for storage and transportation and applicable laws. If Infinera experiences a problem or fails to comply with such safety standards, Infinera's business, financial condition and operating results may be harmed.

#### **Infinera is subject to governmental regulations that could adversely affect Infinera's business.**

Infinera is subject to U.S. and foreign trade control laws that may limit where and to whom it sells its products. These trade control laws also limit Infinera's ability to conduct product development activities in certain countries and restrict the handling of Infinera's U.S. export controlled technology. In addition, various countries regulate the import of certain technologies and have enacted laws that could limit Infinera's ability to distribute its products and certain product features or could limit Infinera's customers' ability to implement Infinera's products in those countries. Changes in Infinera's products or changes in U.S. and foreign import and export regulations may create delays in the introduction of Infinera's products in international markets, prevent Infinera's customers with international operations from deploying Infinera's products throughout their global systems or, in some cases, prevent the import and export of Infinera's products to certain countries altogether. Any change in import and export regulations or related legislation, shift in approach to the enforcement or scope of existing regulations, or change in the countries, persons or technologies impacted by such regulations, could result in decreased use of Infinera's products by, or in Infinera's decreased ability to export or sell Infinera's products to, existing or potential customers with international operations. Failure to comply with these and similar laws on a timely basis, or at all, decreased use of Infinera's products or any limitation on Infinera's ability to develop, export or sell Infinera's products would adversely affect Infinera's business, financial condition and operating results.

Infinera's product or manufacturing standards could also be impacted by new or revised environmental rules and regulations or other social initiatives. For instance, the SEC adopted new disclosure requirements in 2012 relating to the sourcing of certain minerals from the Democratic Republic of Congo and certain other adjoining countries. Those rules, which required reporting for the first time in calendar 2014, could adversely affect Infinera's costs, the availability of minerals used in Infinera's products and its relationships with customers and suppliers.

The Federal Communications Commission ("FCC") has jurisdiction over the entire U.S. communications industry and, as a result, Infinera's products and Infinera's U.S. customers are subject to FCC rules and regulations. Current and future FCC regulations, including regulations on net neutrality or generally affecting communications services, Infinera's products or Infinera's customers' businesses could negatively affect Infinera's business. In addition, international regulatory standards could impair Infinera's ability to develop products for international customers in the future. Moreover, many jurisdictions are evaluating or implementing regulations relating to cybersecurity, privacy and data protection, which can affect the market and requirements for networking and communications equipment. For example, in April 2016, the European Parliament approved the General Data Protection Regulation (the "GDPR"), which came into effect in May 2018 and supersedes

current EU data protection regulations. The GDPR will impose stringent data handling requirements on companies that receive or process personal data of residents of the EU, and non-compliance with the GDPR could result in significant penalties, including data protection audits and heavy fines. Any failure to obtain the required approvals or comply with such laws and regulations could harm Infinera's business and operating results.

**Natural disasters, terrorist attacks or other catastrophic events could harm Infinera's operations.**

Infinera's headquarters and the majority of its infrastructure, including its PIC fabrication manufacturing facility, are located in Northern California, an area that is susceptible to earthquakes, floods and other natural disasters. Further, a terrorist attack aimed at Northern California or at the United States energy or telecommunications infrastructure could hinder or delay the development and sale of Infinera's products. In the event that an earthquake, terrorist attack or other man-made or natural catastrophe were to destroy any part of Infinera's facilities, or certain of Infinera's contract manufacturers' facilities, destroy or disrupt vital infrastructure systems or interrupt Infinera's operations for any extended period of time, Infinera's business, financial condition and operating results would be harmed.

**Security incidents, such as data breaches and cyber-attacks, could compromise Infinera's intellectual property and proprietary or confidential information and cause significant damage to Infinera's business and reputation.**

In the ordinary course of Infinera's business, Infinera maintains sensitive data on its networks, including data related to our intellectual property and data related to its business, customers and business partners, which is considered proprietary or confidential information. Infinera believes that companies in the technology industry have been increasingly subject to a wide variety of security incidents, cyber-attacks and other attempts to gain unauthorized access. While the secure maintenance of this information is critical to Infinera's business and reputation, its network and storage applications may be subject to unauthorized access by hackers or breached due to operator error, malfeasance or other system disruptions. It may be difficult to anticipate or immediately detect such security incidents or data breaches and the damage caused as a result. Accordingly, a data breach, cyber-attack, or unauthorized access or disclosure of Infinera's information, could compromise its intellectual property and reveal proprietary or confidential business information. In addition, these security incidents could also cause Infinera to incur significant remediation costs and expenses, disrupt key business operations, subject Infinera to liability and divert attention of management and key information technology resources, any of which could cause significant harm to Infinera's business and reputation.

## **Risks related to the Shares**

**The trading price of the Shares has been volatile and is likely to be volatile in the future.**

The trading prices of the Shares and the securities of other technology companies have been and may continue to be highly volatile. Factors affecting the trading price of the Shares include:

- variations in Infinera's operating results;
- changes in the estimates of Infinera's future operating results or external guidance on those results or changes in recommendations or business expectations by any securities analysts that elect to follow the Shares;
- announcements of technological innovations, new services or service enhancements, the gain or loss of customers, strategic alliances or agreements by Infinera or by its competitors;
- market conditions in Infinera's industry, the industries of Infinera's customers and the economy as a whole;
- mergers and acquisitions by Infinera, by its competitors or by its customers;
- recruitment or departure of key personnel; and
- adoption or modification of regulations, policies, procedures or programs applicable to Infinera's business.

In addition, if the market for technology stocks or the broader stock market experience a loss of investor confidence, the trading price of the Shares could decline for reasons unrelated to Infinera's business, financial condition or operating results. The trading price of the Shares might also decline in reaction to events that affect other companies in Infinera's industry even if these events do not directly affect Infinera. Each of these factors, among others, could harm the value of your investment in the Shares. Some companies that have had volatile market prices for their securities have had securities class action lawsuits filed against them. If a suit were filed

against Infinera, regardless of its merits or outcome, it could result in substantial costs and divert management's attention and resources.

**The fundamental change provisions of the Notes may delay or prevent an otherwise beneficial takeover attempt of Infinera.**

If a fundamental change, such as an acquisition of Infinera, occurs prior to the maturity of the Notes, holders of the Notes will have the right, at their option, to require Infinera to repurchase all or a portion of its Notes. In addition, if such fundamental change also constitutes a make-whole fundamental change, the conversion rate for the Notes may be increased upon conversion of the Notes in connection with such make-whole fundamental change. Any increase in the conversion rate will be determined based on the date on which the make-whole fundamental change occurs or becomes effective and the price paid (or deemed paid) per Share in such transaction. Infinera's obligation to repurchase Notes or increase the conversion rate upon the occurrence of a make-whole fundamental change may, in certain circumstances, delay or prevent a takeover of Infinera that might otherwise be beneficial to its stockholders.

**Anti-takeover provisions in Infinera's charter documents and Delaware law could discourage, delay or prevent a change in control of Infinera and may affect the trading price of the Shares.**

Infinera is a Delaware corporation and the anti-takeover provisions of the Delaware General Corporation Law, which apply to Infinera, may discourage, delay or prevent a change in control by prohibiting Infinera from engaging in a business combination with an interested stockholder for a period of three years after the person becomes an interested stockholder, even if a change of control would be beneficial to Infinera's existing stockholders. In addition, Infinera's amended and restated certificate of incorporation and amended and restated bylaws may discourage, delay or prevent a change in Infinera's management or control over Infinera that stockholders may consider favorable. Infinera's amended and restated certificate of incorporation and amended and restated bylaws:

- authorize the issuance of "blank check" convertible preferred stock that could be issued by Infinera's board of directors to thwart a takeover attempt;
- establish a classified board of directors, as a result of which the successors to the directors whose terms have expired will be elected to serve from the time of election and qualification until the third annual meeting following their election;
- require that directors only be removed from office for cause and only upon a supermajority stockholder vote;
- provide that vacancies on the board of directors, including newly-created directorships, may be filled only by a majority vote of directors then in office rather than by stockholders;
- prevent stockholders from calling special meetings; and
- prohibit stockholder action by written consent, requiring all actions to be taken at a meeting of the stockholders.

**The Shares are only listed in the United States, which will expose non-U.S. stockholders to additional risks.**

The Shares to be delivered to eligible employees in the Offers will only be listed on the Nasdaq Global Select Market. The Shares are traded in USD and the value of the shares for a Swedish stockholder will not only be dependent on the value of Infinera, but also on the SEK/USD exchange rate. Changes in the SEK/USD exchange rate may have an adverse effect on the value in SEK of Shares, notwithstanding the absence of any material events affecting Infinera's business and its stock price. Further, the fact that the Shares are not listed in Sweden may cause additional transaction costs and logistical challenges for Swedish stockholders.

**Infinera has not paid any cash dividends on the Shares and does not currently intend to pay any cash dividends on the Shares in the near future.**

The payment of future cash dividends, if any, will be made at the discretion of the board of directors of Infinera (the "**Board**"). Infinera has never paid any cash dividends on the Shares and does not intend to pay any cash dividends on the Shares in the near future. Infinera's ability to pay cash dividends in the future depends on numerous factors including, but not limited to, Infinera's business, future profits, financial position, operating results, distributable reserves, cash flows, prospects, capital requirements, the ability of its subsidiaries to pay dividends to Infinera, credit terms, general economic and statutory restrictions, and other factors that the Board

deems significant from time to time. In the event that no cash dividend is paid, any return on the Shares will be generated only through the appreciation of the price of the Shares.

Furthermore, any dividends paid to non-U.S. holders of Shares would be subject to the risk of exchange rate fluctuations. If Infinera were to pay dividends in the future with respect to the Shares, such dividends will be paid in USD. Any depreciation of the USD in relation to SEK could reduce the value of any dividends to shareholders whose principal currency is SEK.

## INFINERA'S EMPLOYEE STOCK PURCHASE PLAN

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### Background and reasons

Infinera has decided to offer its eligible employees (please see “*Who is eligible to participate in the Purchase Plan?*” below), including the employees of its Swedish operations, the possibility to acquire, at a discounted price, Shares under the Purchase Plan.

The information in this section describes the main features of the Purchase Plan, while the official Purchase Plan document is included in full in the section entitled “*The Infinera 2007 Employee Stock Purchase Plan.*” In the event of a conflict between this summary and the terms of the Purchase Plan, the terms of the Purchase Plan shall prevail. Infinera and any subsidiary whose employees are designated to participate in the Purchase Plan are referred to in this section as “Infinera.”

The purpose of the Purchase Plan is to provide employees of Infinera and its participating affiliates with an opportunity to invest in Shares through periodic offerings financed by payroll deductions. Infinera believes that maintaining a competitive employee stock purchase plan is an important element in recruitment, motivation and retention of its employees. The Purchase Plan is designed to more closely align the interests of Infinera's employees with those of its stockholders by encouraging its employees to invest in the success of Infinera through the appreciation in value of purchased stock.

### Introduction

#### What is the Purchase Plan?

The Purchase Plan provides eligible employees with an opportunity to purchase Shares (i.e., shares of Infinera common stock) through accumulated payroll deductions.

The Purchase Plan allows you to contribute up to fifteen percent (15%) of your eligible compensation through payroll deductions to purchase up to a maximum of 3,000 Shares during each approximately six (6) month offering period.

The Purchase Plan is intended to qualify as an “employee stock purchase plan” under Section 423 of the Internal Revenue Code of 1986, as amended (the “Code”).

#### How does the Purchase Plan work?

The Purchase Plan is implemented through consecutive offering periods of approximately six (6) months in length. The offering periods generally start with the first trading day on or after February 15 and August 15 of each year and end approximately six (6) months later on the first trading day on or following August 15 and February 15, respectively. The next offering period for eligible Swedish employees will commence on August 15, 2018, and will end on February 15, 2019. Further, the second next offering period for eligible Swedish employees will commence on February 15, 2019, and end on August 15, 2019. The Board or any committee designated by the Board (in either case, the “Administrator”) will have the power to change the duration of offering periods (including the commencement dates thereof) with respect to future offerings without stockholder approval if such change is announced prior to the scheduled beginning of the first offering period to be affected thereafter, provided that no offering period may have a duration that exceeds twenty-seven (27) months.

An eligible employee who elects to enroll in the Purchase Plan (a “Participant”) is granted an option at the start of the offering period to purchase Shares with payroll deductions of up to fifteen percent (15%) of his or her eligible compensation, in whole percentages only. The eligible employee's payroll deductions are accumulated and applied to purchase Shares at the end of each offering period. The purchase price for such option will be the lesser of (i) eighty-five percent (85%) of the fair market value of the Shares on the first trading day of the offering period or (ii) eighty-five percent (85%) of the fair market value of the Shares on the exercise date, which is approximately six (6) months after the first trading day on or after February 15 and August 15, respectively.

#### How many Shares are available under the Purchase Plan?

Subject to adjustment upon certain changes in Infinera's capitalization, the maximum number of Shares which will be made available for sale under the Purchase Plan is 21,056,830 Shares. As of the date of this Prospectus, 5,740,229 Shares remained available for future issuance under the Purchase Plan.

In the event of any dividend or other distribution (whether in the form of cash, common stock, other securities, or other property), recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-

up, spin-off, combination, repurchase, or exchange of common stock or other securities of Infinera, or other change in the corporate structure of Infinera affecting the Shares, the Administrator, in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Purchase Plan, will, in such manner as it may deem equitable, adjust the following:

- the number and class of Shares which may be delivered under the Purchase Plan;
- the per person Share limits on purchases; and
- the purchase price per Share and the number of Shares covered by each option under the Purchase Plan (which have not yet been exercised).

### **When will the Purchase Plan terminate?**

The Purchase Plan will continue in effect until terminated in accordance with the terms of the Purchase Plan.

## **Administration and eligibility**

### **Who administers the Purchase Plan?**

The Purchase Plan is administered by the Board or a committee appointed by the Board, which will be constituted to comply with applicable laws.

The Administrator has full and exclusive discretionary authority to construe, interpret and apply the terms of the Purchase Plan, to designate separate offerings, to determine eligibility and to adjudicate all disputed claims filed under the Purchase Plan. Every finding, decision and determination made by the Administrator will, to the full extent permitted by law, be final and binding on all parties. The Purchase Plan is governed by, and construed in accordance with, the laws of the State of California (except its choice-of-law provisions).

Notwithstanding anything to the contrary in the Purchase Plan, the Administrator may adopt rules or procedures relating to the operation and administration of the Purchase Plan to accommodate the specific requirements of local laws and procedures for jurisdictions outside of the United States, and adopting rules and procedures regarding eligibility to participate, the definition of compensation, handling of payroll deductions, making of contributions to the Purchase Plan (including, without limitation, in forms other than payroll deductions), establishment of bank or trust accounts to hold payroll deductions, payment of interest, conversion of local currency, obligations to pay payroll tax, determination of beneficiary designation requirements, withholding procedures and handling of stock certificates that vary with local requirements.

### **Can the Purchase Plan be amended?**

Yes. The Administrator, in its sole discretion, may amend, suspend, or terminate the Purchase Plan, or any part thereof, at any time and for any reason. If the Purchase Plan is terminated, the Administrator, in its sole discretion, may elect to terminate all outstanding offering periods either immediately or upon completion of the purchase of Shares on the next exercise date (which may be sooner than originally scheduled, if determined by the Administrator in its discretion), or may elect to permit offering periods to expire in accordance with their terms. If the offering periods are terminated prior to expiration, all amounts then credited to your account which have not been used to purchase Shares shall be returned to you (without any interest, except as otherwise required under any applicable laws) as soon as administratively practicable.

The Administrator has the power to change the offering periods, limit the frequency and/or number of changes in the amount withheld during an offering period, establish the exchange ratio applicable to amounts withheld in a currency other than U.S. dollars, permit payroll withholding in excess of the amount designated by a Participant in order to adjust for delays or mistakes in Infinera's processing of properly completed withholding elections, establish reasonable waiting and adjustment periods and/or accounting and crediting procedures to ensure that amounts applied toward the purchase of common stock for each Participant properly correspond with amounts withheld from the Participant's compensation, and establish such other limitations or procedures as the Administrator determines in its sole discretion advisable which are consistent with the Purchase Plan.

In the event the Administrator determines that the ongoing operation of the Purchase Plan may result in unfavorable financial accounting consequences, the Administrator may, in its discretion and, to the extent necessary or desirable, modify, amend, or terminate the Purchase Plan to reduce or eliminate such accounting consequence including, but not limited to:

- amending the Purchase Plan to conform with the safe harbor definition under Financial Accounting Standards Board Accounting Standards Codification Topic 718 or its successor, including with respect to an offering period underway at the time;

- altering the purchase price for any offering period including an offering period underway at the time of the change in purchase price;
- shortening any offering period by setting a new exercise date, including an offering period underway at the time of the Administrator action; and
- reducing the maximum percentage of compensation that you may elect to set aside as payroll deductions; and
- reducing the maximum number of Shares you may purchase during any offering period.

The modifications or amendments listed in the above paragraph do not require stockholder approval or the consent of any Purchase Plan Participants.

### **Who is eligible to participate?**

You generally will be eligible to participate in the Purchase Plan if you are a common-law employee of Infinera or a designated subsidiary of Infinera and are customarily employed by Infinera (or a designated subsidiary) and scheduled to work for Infinera (or such designated subsidiary) for at least twenty (20) hours per week and more than five (5) months in any calendar year. However, employees who are citizens or residents of a non-U.S. jurisdiction (without regard to whether they also are citizens or residents of the U.S. or resident aliens) may be excluded from participation in the Purchase Plan or an offering under the Purchase Plan if the participation of such individuals is prohibited under the applicable local laws or if complying with such applicable local laws would cause the Purchase Plan or such offering to violate Code Section 423.

You may not participate in the Purchase Plan if immediately after the grant of an option, you would own capital stock of Infinera or its parent or subsidiary and/or hold outstanding options to purchase five percent (5%) or more of the total combined voting power or value of all classes of Infinera's capital stock or the stock of any parent or subsidiary of Infinera (including stock attributed to you under Code Section 424(d)). In addition, your right to buy Shares under the Purchase Plan may not accrue at a rate in excess of \$25,000 of the fair market value of such Shares (determined at the beginning of the applicable offering period) per calendar year for each calendar year in which the offering period is in effect.

## **Operation of the Purchase Plan**

### **How do I become a Participant?**

You may participate in the Purchase Plan by submitting to Infinera's payroll office (or its designee) on or before a date prescribed by the Administrator prior to an applicable offering date, a properly completed subscription agreement authorizing payroll deductions in the form provided by the Administrator, or following an electronic or other enrollment procedure prescribed by the Administrator. The next enrollment period for eligible Swedish employees will commence on July 30, 2018 and will end on August 10, 2018. The next following enrollment period for eligible Swedish employees will commence on January 28, 2019 and will end on February 10, 2019.

Your subscription agreement will remain in effect for each successive offering period unless terminated as provided by the provisions of the Purchase Plan (for instance, if you withdraw from the Purchase Plan).

### **If I decide not to enroll right now, will I have another opportunity?**

Yes. You may enroll before the start of any subsequent offering period during which the Purchase Plan is in effect, within the time frame determined by the Administrator. However, you may not enroll in an offering period after the offering date for that offering period has passed.

### **How much may I contribute?**

You may contribute through payroll deductions up to fifteen percent (15%) of your eligible compensation, in whole percentages only. For this purpose, eligible compensation generally means your regular and recurring base straight time gross earnings, commissions (to the extent such commissions are an integral, recurring part of compensation), payments for overtime and shift premium, but exclusive of payments for incentive compensation, bonuses and other similar compensation. Notwithstanding the foregoing, Infinera may decrease your payroll deductions to zero percent (0%) at any time during an offering period to the extent necessary to comply with Code Section 423(b)(8) and the limits set forth in the Purchase Plan and as described under "*How many Shares can I buy?*" below. Under such circumstances, payroll deductions will recommence at the rate provided in your enrollment form at the beginning of the first offering period that is scheduled to end in the following calendar year.

After you authorize Infinera to make deductions for the purchase of Shares under the Purchase Plan, Infinera will make those deductions from your paycheck each pay period during an offering period; provided, however, that should a pay day occur on the first trading day on or after February 15 and August 15 of each year, the payroll deductions made on such day will be applied to your account under the subsequent offering period. The payroll deductions accumulated will be accredited to an account in your name until the completion of the offering period. You will not receive any interest on the amounts of your compensation that Infinera accumulates in that account for the purchase of Shares under the Purchase Plan. In addition, payroll deductions will be withheld in whole percentages only.

**When are my contributions credited to the Purchase Plan?**

Your authorized payroll deductions will begin on the first pay day following the first trading day of each offering period and will end on the last pay day prior to the exercise date of such offering period as to which your authorization is applicable (unless your participation in the Purchase Plan has already terminated).

**May I make cash contributions to the Purchase Plan in addition to my payroll deductions?**

Currently, contributions may only be made through payroll deductions unless otherwise required by any applicable law. The Administrator may determine to allow contributions to be made by other means in the future.

**Do I automatically own Shares as soon as a deduction has been made from my compensation?**

No. Shares are actually purchased only on the date determined by the Administrator, which is referred to as the “exercise date,” for that offering period. Unless you have withdrawn from the Purchase Plan, your accumulated deductions will be used to purchase the Shares automatically on the exercise date. Generally, the exercise date will be the first trading day on or after February 15 and August 15 of each year, unless the Administrator provides otherwise.

You will have no voting, dividend, or other stockholder rights in any Shares until the offering period has ended and the Shares have been purchased and delivered to you. In addition, you must still be employed by Infinera on the exercise date for Shares to be purchased for you.

**What price will I pay?**

The purchase price will be the lesser of (i) eighty-five percent (85%) of the fair market value of the Shares on the first trading day of the offering period or (ii) eighty-five percent (85%) of the fair market value of the Shares on the exercise date, which is approximately six months after the first trading day on or after February 15 and August 15, respectively.

The fair market value is generally the closing sales price of Infinera’s common stock (or the closing bid, if no sales were reported) as quoted on the Nasdaq Global Select Market for the date of purchase, and as reported in *The Wall Street Journal* or such other source as the Administrator deems reliable.

**How many Shares can I buy?**

During each offering period, you may purchase up to a maximum of 3,000 Shares (subject to the limit discussed under “*Who is eligible to participate?*” above). In addition, your right to buy Shares under the Purchase Plan may not accrue at a rate in excess of \$25,000 of the fair market value of such Shares (determined at the beginning of the applicable offering period) per calendar year for each calendar year in which the offering period is in effect. This IRS-required “\$25,000 limit” is described further under “*How does the IRS-required \$25,000 limit work?*” below.

If your contributions would allow you to purchase more than the maximum number of Shares on any exercise date, then your excess contributions will be returned to you promptly after the end of the applicable offering period.

Within this limit, the number of Shares purchased depends on the fair market value of Infinera’s common stock on the exercise date for that offering period and the total amount of your accumulated payroll deductions on the exercise date. On the exercise date, your accumulated contributions will be used to purchase whole Shares at the purchase price.

You cannot buy a fraction of a Share. Any cash remaining to buy less than a whole Share will be automatically rolled over into the next offering period.

If the Administrator determines that, on a given exercise date, the number of Shares to be purchased exceeds the number of Shares available under the Purchase Plan on the first trading day of the applicable offering period, or the number of Shares available on such exercise date, the Administrator may, in its sole discretion, provide for a pro rata allocation of the available Shares of common stock among the Participants.

### **How does the IRS-required \$25,000 limit work?**

The Code and the current Internal Revenue Service regulations limit purchases under an employee stock purchase plan to \$25,000 worth of stock in any one calendar year in which a purchase plan option is outstanding. The rule is fairly complex when an offering period crosses over calendar years, as happens under the Purchase Plan. The following is a high level, general summary of the basic application of the \$25,000 limit.

For purposes of calculating whether the limit has been reached, the stock is valued as of the first day of the offering period. For example, if the value of the stock at the beginning of the offering period is \$25 per Share, then the \$25,000 limit generally would mean that you could not buy more than 1,000 Shares during that calendar year, subject to the limitations described under “*How many Shares can I buy?*” above on the number of Shares a Participant may purchase during each offering period.

However, when an employee stock purchase plan has offering periods that extend over more than one calendar year like ours does, the limit under the current regulations is \$25,000 worth of stock for each calendar year in which the offering period is in effect. This means that if a portion of an individual’s \$25,000 limit for a calendar year remains unused, it will rollover to the next calendar year if the same offering period is in place.

As a simple example of this rollover, suppose you join the Purchase Plan for the first time with the offering period that begins on February 15 of a certain year (“**Year 1**”). Suppose also that the value of the stock on February 15 of Year 1 is \$25 per Share. When the Shares are purchased on August 15 of Year 1, you could purchase up to \$25,000 worth of Shares (i.e., 1,000 Shares or \$25,000 / \$25). The Purchase Plan has its own limit regarding Shares that may be purchased in any one offering period, which is a maximum of 3,000 Shares in August of Year 1 (or \$75,000 worth of Shares in which case your purchase is subject to the lower, \$25,000 limit). On August 15 of Year 1, assume that you purchase 1,000 Shares, which is the full \$25,000 worth of Shares for Year 1. As to the next offering period, assume the value of the stock on August 15 of Year 1 is \$30 per Share. Because the purchase under this offering period does not occur until the next calendar year (“**Year 2**”) (that is, until the end of the offering period ending February 15 of Year 2), the \$25,000 limit rules generally would allow you to purchase up to \$25,000 worth of stock (i.e., 833 Shares or \$25,000 / \$30) in February of Year 2: \$0 worth for Year 1 (because there was no remaining unused limit from Year 1) and \$25,000 worth for Year 2. The Purchase Plan has its own limit regarding Shares that may be purchased in any one offering period, which is a maximum of 3,000 Shares in February of Year 2. If you purchase 833 Shares in February of Year 2, you have used \$24,990 (833 x \$30) of your \$25,000 limit for this offering period. For the next offering period scheduled to end in August of Year 2, assuming that the value of the stock on February 15 of Year 2 is \$30, because this offering period only is in effect for the Year 2 calendar year, you could purchase no additional Shares. For purposes of calculating this limit, the \$24,990 worth of Shares were purchased in February of Year 2 against the \$25,000 limit for Year 2.

To make the above examples as simple as possible, Infinera has assumed a stock value of \$25 per Share. However, Infinera cannot predict what the actual value of a Share will be on February 15, 2019, August 15, 2019, or any other future day. Also, the above description of the \$25,000 limit is very general and facts and circumstances can make the rule complex to apply.

### **May I begin participating in the middle of an offering period?**

No. To participate in an offering period, you must enroll prior to the first day of that offering period.

### **May I increase or decrease my payroll deductions during an offering period?**

You may decrease (but not increase) your rate of payroll deductions during an offering period by completing and submitting to Infinera’s payroll office (or its designee), on or before a date prescribed by the Administrator prior to an applicable exercise date, a new subscription agreement authorizing the change in payroll deduction rate in the form provided by the Administrator, or following an electronic or other procedure prescribed by the Administrator. However, you may make only one payroll deduction change during each offering period. You may change the rate of your payroll deductions for future offering periods using the same procedure as described above prior to the applicable date prescribed by the Administrator. If you fail to follow these procedures, the rate of your payroll deductions will continue at the originally elected rate throughout the offering period or any future offering periods (unless terminated sooner).

The Administrator may, in its discretion, limit the nature and/or number of payroll deduction rate changes during any offering period. Any change in payroll deduction rate will be effective as of the first full payroll period following five (5) business days after the date on which you make the change (unless the Administrator, in its sole discretion, elects to process a given change in payroll deduction rate more quickly).

**May I withdraw from the Purchase Plan at any time?**

Yes. If you find it necessary or desirable to withdraw from the Purchase Plan, you must complete and submit to Infinera's payroll office (or its designee) a written notice of withdrawal in the form prescribed by the Administrator (or follow an electronic or other withdrawal procedure prescribed by the Administrator). You may withdraw all but not less than all of the payroll deductions credited to your account and not yet used to exercise your option under the Purchase Plan. Your payroll deductions will cease after Infinera's receipt of your notice of withdrawal, and your payroll deductions will be paid to you promptly. If you do withdraw from the Purchase Plan, you cannot rejoin until the commencement of the next offering period.

**What happens to the Shares I purchase?**

As soon as reasonably practicable after the close of each offering period, Infinera will arrange to deliver the purchased Shares to you in a form determined by the Administrator at its sole discretion. Infinera may permit or require that Shares be deposited directly with a broker designated by Infinera or to a designated agent of Infinera, and Infinera may utilize electronic or automated methods of share transfer. Infinera also may require that such Shares be retained with such broker or agent for a designated period of time and/or may establish other procedures to permit tracking of disqualifying dispositions.

**What records will I receive regarding my account?**

Individual accounts will be maintained for each Participant in the Purchase Plan. You will receive a statement of your account at least once a year. The statement will summarize your payroll deductions, the per share purchase price, the number of Shares you purchased and any remaining cash balance.

**Do I receive interest on my contributions?**

No, you will not receive any interest on your contributions.

**What happens if Infinera is dissolved or liquidated?**

In the event of the proposed dissolution or liquidation of Infinera, the offering period then in progress will be shortened by setting a new exercise date for your option. The new exercise date will be before the date of Infinera's proposed dissolution or liquidation. The Administrator will notify each Participant in writing at least ten (10) business days prior to the new exercise date that the exercise date has been changed and that the Participant's option will automatically be exercised on the new exercise date unless the Participant withdraws from the offering period prior to such date.

**What happens if Infinera is involved in a merger or change in control?**

In the event of a merger or change in control (as defined in the Purchase Plan) of Infinera, each outstanding option will be assumed or substituted for by the successor corporation (or a parent or subsidiary of such successor corporation). If the successor corporation refuses to assume or substitute for the outstanding option, the offering period with respect to which such option relates will be shortened by setting a new exercise date. The new exercise date will occur prior to the proposed merger or change in control. The Administrator will notify you in writing prior to the new exercise date that the exercise date has been changed, and that your option automatically will be exercised on the new exercise date unless you withdraw from the offering period prior to such date.

**Does participation in the Purchase Plan affect my employment with Infinera or its subsidiaries?**

Neither the Purchase Plan nor any outstanding purchase right under it will be construed to provide you with any right or claim to remain in the employ of Infinera (or its designated subsidiaries) for any specific period. Regardless of your participation in the Purchase Plan, your employment may be terminated in accordance with the provisions of your employment agreement.

**What happens if my employment with Infinera (or any of its subsidiaries) terminates?**

Upon your termination of employment for any reason, you will be automatically withdrawn from the Purchase Plan, and the payroll deductions credited to your account during the offering period not yet used to purchase Shares will be returned to you. You cannot purchase Shares under the Purchase Plan after termination of your employment.

### **What happens if I die while I am a Participant?**

When you enroll in the Purchase Plan, you may designate a beneficiary who is to receive any Shares or cash in your account in the event of your death. If you are married and the designated beneficiary is not your spouse, your spouse's consent will be required for your designation to be effective. You may change your beneficiary at any time by notice in a form determined by the Administrator. If you do not have a beneficiary validly designated at the time of your death, any Shares or cash will be delivered to the executor or administrator of your estate. If no executor or administrator has been appointed, Infinera may deliver such amounts to your spouse, dependents, relatives or certain other persons, in Infinera's discretion. All beneficiary designations will be in such form and manner as the Administrator may designate from time to time.

### **What happens if I go on a leave of absence?**

If you are an employee who is otherwise an eligible employee, you will be treated as continuing to be such while you are on sick leave or other leave of absence that Infinera approves or otherwise is legally protected under applicable laws. Where the period of leave exceeds three (3) months and your right to reemployment is not guaranteed either by statute or by contract, you will cease to be an eligible employee three (3) months and one (1) day following the commencement of such leave and you will be withdrawn from the Purchase Plan and the payroll deductions accumulated in your account will be returned to you as described under "*What happens if my employment with Infinera (or any of its subsidiaries) terminates?*" above. You may rejoin the Purchase Plan on your return to active employee status at the commencement of the next offering period by filing a new subscription agreement through the normal enrollment process assuming you otherwise remain eligible for participation.

### **Can I transfer any of my rights or interest in the Purchase Plan?**

No. Neither payroll deductions credited to your account nor any rights with regard to the exercise of an option or to receive Shares under the Purchase Plan may be assigned, transferred, pledged, or otherwise disposed of in any way (other than by will, the laws of descent and distribution) by you. Any attempt at assignment, transfer, pledge or other disposition will be without effect, except that Infinera may treat such act as an election to withdraw funds from an offering period.

## **Taxation and withholding**

The following discussion is intended only as a summary of the general Swedish and United States income tax laws that apply to options granted under the Purchase Plan and the sale of any Shares acquired through the options. The summary is based on the legislation currently in force and is applicable to individual tax residents in Sweden. Shares held in a so called investment savings account (*investeringssparkonto*) and that are subject to special rules on notional taxation are not covered by this summary. The Swedish as well as U.S. federal, state and local tax consequences to any particular taxpayer will depend upon his or her individual circumstances. Accordingly, Infinera strongly advises you to seek the advice of a qualified tax adviser regarding your participation in the Purchase Plan.

By participating in the Purchase Plan, you authorize the relevant participating affiliate to make appropriate withholding deductions from your compensation, which shall be in addition to any payroll deductions, and to pay such amounts to the tax authorities in the relevant country or countries in order to satisfy any of the above tax liabilities of the participant under applicable law.

Upon disposition of Shares purchased pursuant to the Purchase Plan, you shall pay, or make provision satisfactory to the Administrator for payment of, all tax (and similar) withholding that the Administrator determines, in its discretion, are required due to the acquisition or disposition, including without limitation any such withholding that the Administrator determines in its discretion is necessary to allow Infinera and its affiliates to claim tax deductions or other benefits in connection with the acquisition or disposition.

### **Enrollment into the plan**

You will not be subject to any taxation at the date of enrollment in the Purchase Plan or during the period in which the payroll deduction is made and the agreed amount accumulates. If you decide to withdraw from the Purchase Plan, the amounts deducted will be paid out without any tax consequences.

### **On the time of acquisition**

On the date your option right is exercised and the acquired Shares become available to you, a taxable benefit arises. The taxable benefit and the income tax value is the difference between the fair market value of the Shares on the date the shares become available and the price you have paid for the Shares. The benefit will be taxed as

an employee income with local- and state- income tax from 30% up to 62% depending on your place of residence and level of income. The employer will pay social security contributions on the benefit.

Infinera will be obliged to withhold preliminary income tax on the benefit in the same month as the benefit arises.

### **Sale of Shares**

A taxable capital gain or deductible capital loss may arise on the sale or other disposition of shares. The capital income tax is 30% in Sweden. Capital gain or loss is normally calculated as the difference between the sales proceeds after deducting sales costs and the tax base. The tax base for the shares acquired under the Purchase Plan is the price you have paid plus the taxable benefit. The tax base of all shares of the same class and type are added together and computed collectively using the “average method.” Upon the sale of listed shares, the tax basis may alternatively be determined as 20% of the sales proceeds after deducting sales costs under the “notional rule.”

Capital losses on listed shares are fully deductible against taxable capital gains on listed and un-listed equity-related securities realized in the same year, except for units in securities funds or special funds which consist solely of Swedish receivables (*räntefonder*). Up to 70% of capital losses on shares or other equity related securities that cannot be offset in this way are deductible against other capital income. If you have a net capital loss, a tax reduction of 30% of the loss up to SEK 100,000 and 21% of the loss exceeding this amount is allowed against municipal and national income tax.

### **Dividends**

Any dividend paid by Infinera on any Shares you have acquired in the Purchase Plan is taxed as income from capital at 30%. You will also be subject to U.S. withholding tax at source with 15% (assuming reduction of domestic withholding tax rate under the treaty between Sweden and the United States) of any dividend paid by Infinera. You should be entitled to a credit of the withholding tax paid in the United States from the Swedish tax on the dividend. The tax credit may not exceed the Swedish income tax attributable to the foreign-source income. If there is no Swedish tax on capital income in the fiscal year in which a dividend is received (for example, where an individual declares a net capital loss) no foreign tax credit can be claimed in that year. Instead, subject to certain limitations, a surplus credit may be carried forward for five years. In order to avoid double taxation on any dividends received, the stockholders are required to request a credit of foreign tax paid in their Swedish income tax return.

## **Additional information about the Purchase Plan**

### **Does the Purchase Plan limit a Participant’s ability to resell Shares acquired under the Purchase Plan?**

Except as described below, the Purchase Plan generally places no limitations upon a Participant’s ability to sell Shares acquired under the Purchase Plan. Infinera will not receive any part of the proceeds of any such sales.

Infinera’s insider trading policy applies to all of Infinera’s employees, directors and consultants and Infinera’s affiliates. The insider trading policy prohibits a Participant from buying or selling Shares when he or she has “inside information.” Inside information is material information about Infinera that is not yet public but that a reasonable investor would consider important in deciding whether to buy or sell Shares.

A Participant who is an “affiliate” of ours (within the meaning of Rule 405 under the Securities Act of 1933 (the “1933 Act”)), may not resell under this prospectus any Shares he or she purchases or receives under the Purchase Plan. (Infinera’s executive officers and members of the Board are considered to be “affiliates” for this purpose.) Any such resales must be either described in a separate prospectus, or, in certain instances, registered in a separate registration statement, or sold in accordance with the requirements of Rule 144 under the 1933 Act or another exemption available under the 1933 Act.

Also, Section 16(b) of the Securities Exchange Act of 1934 (the “1934 Act”) permits Infinera to recover any profit realized by certain of Infinera’s officers, directors and principal stockholders through the sale and purchase, or purchase and sale (as defined), of Shares within any period of less than six (6) months.

### **What other conditions are associated with the purchase, issuance and delivery of my Shares?**

Shares will not be issued with respect to any option under the Purchase Plan unless the exercise of such option and the issuance and delivery of such Shares pursuant to the option complies with all applicable provisions of law, domestic or foreign, including, without limitation, the 1933 Act, the 1934 Act, the rules and regulations

promulgated thereunder, and the requirements of any stock exchange the Shares may then be listed and will be further subject to the approval of counsel for Infinera with respect to such compliance.

### **What if I need more information?**

Infinera will provide you free of charge with a copy of any or all of the documents relating to the Purchase Plan. You should direct your requests to:

ATTN: Stock Administration  
 Infinera Corporation  
 140 Caspian Court  
 Sunnyvale, CA 94089  
 +1 (408) 572-5200  
 stockadmin@infinera.com

Copies of this prospectus, any supplements to the prospectus, and further information concerning the Purchase Plan and its administration also are available free of charge by calling or writing Stock Administration at the above number or address.

## **The Offers under this Prospectus**

### **The August 15, 2018-February 15, 2019 offering period**

#### ***Enrollment period***

July 30-August 10, 2018.

#### ***Offering period***

August 15, 2018-February 15, 2019.

#### ***Purchase date***

February 15, 2019 (unless the Administrator provides otherwise).

#### ***Use of proceeds and estimate of total costs of the Purchase Plan***

Based on \$9.60 enrollment date price, upon total Infinera employees eligible to participate and an estimated percentage of those employees that Infinera expects will participate, approximately 1,273,103 Shares would be purchased on behalf of Participants of the Purchase Plan globally for the offering period that will end on the first trading day on or after February 15, 2019, which would generate net proceeds of approximately \$10.4 million.

The proceeds received by Infinera from the sale of Shares pursuant to the Purchase Plan will be used for general corporate purposes. Infinera estimates the total consolidated expense for the Purchase Plan for this offering period to be approximately \$4.0 million (based on the above assumptions).

### **The February 15, 2019-August 15, 2019 offering period**

#### ***Enrollment period***

January 28-February 10, 2019.

#### ***Offering period***

February 15, 2019-August 15, 2019.

#### ***Purchase date***

August 15, 2019 (unless the Administrator provides otherwise).

#### ***Use of proceeds and estimate of total costs of the Purchase Plan***

Based on \$9.60 enrollment date price, upon total Infinera employees eligible to participate and an estimated percentage of those employees that Infinera expects will participate, approximately 954,827 Shares would be purchased on behalf of Participants of the Purchase Plan globally for the offering period that will end on the first trading day on or after August 15, 2019, which would generate net proceeds of approximately \$7.8 million.

The proceeds received by Infinera from the sale of Shares pursuant to the Purchase Plan will be used for general corporate purposes. Infinera estimates the total consolidated expense for this offering period to be approximately \$3.0 million (based on the above assumptions).

### **Dilution**

On the assumption that 1,273,103 Shares would be purchased on behalf of Participants of the Purchase Plan globally for the offer period ending in February 2019, the total outstanding Shares would increase from

151,164,854 (the Shares outstanding as of March 31, 2018) to 152,437,957, corresponding to a dilution of about 0.84%. On the assumption that 954,827 Shares would be purchased on behalf of Participants of the Purchase Plan globally for the offer period ending in August 2019, the total outstanding Shares would thereafter increase from 152,437,957 to 153,392,784, corresponding to a dilution of about 0.63%. The total dilution amounts to approximately 1.47%.

The number of Shares purchased on behalf of Participants of the Purchase Plan during any given fiscal year is reported in Infinera's Annual Report on Form 10-K the following year.

## INFORMATION ABOUT INFINERA

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*Infinera (Nasdaq: INFN) is a U.S. corporation incorporated in the State of Delaware, USA. The Shares are traded on the Nasdaq Global Select Market. Infinera was incorporated in December 2000, and is headquartered in Sunnyvale, California, USA.*

### **Infinera in brief**

Infinera is a leader in optical transport networking solutions, providing equipment, software and services to telecommunications service providers, internet content providers (“**ICPs**”), cable providers, research and education institutions, enterprise customers, and government entities across the globe. Optical transport networks are deployed by customers facing significant demand for optical bandwidth prompted by increased use of high-speed internet access, business Ethernet services, mobile broadband, cloud-based services, high-definition video streaming services, virtual and augmented reality, and the Internet of Things (IoT).

Infinera’s optical transport systems are highly scalable, flexible and open, built using a combination of internally manufactured and third-party components. Technologically, a key element of our systems is the optical engine, which is comprised of large-scale photonic integrated circuits (“**PICs**”) and digital signal processors (“**DSPs**”). Infinera optimizes the manufacturing process by using indium phosphide to build its PICs, which enables the integration of a large number of optical functions onto a set of semiconductor chips. This integration allows Infinera to deliver differentiation in features that customers care about most, including cost per bit, power, density, space and ease of use. Infinera’s optical engines are designed to increase the capacity and reach performance of its products leveraging coherent optical transmission.

Over the past few years, Infinera has significantly increased the number of products it offers, evolving from focusing entirely on the long-haul and subsea markets to offering a more complete portfolio of solutions that span the long-haul, subsea, datacenter interconnect (“**DCI**”) and metro markets.

In 2017, Infinera began shipping two new platforms based on its new technology. First, Infinera introduced a series of new products powered by the Infinite Capacity Engine (ICE), a technology which delivers multi-terabit opto-electronic subsystems powered by its fourth-generation PIC and next-generation FlexCoherent DSP (the combination of which is referred to as “**ICE4**”). The Infinite Capacity Engine enables different subsystems that can be customized for a variety of network applications across Infinera’s product portfolio, spanning the long-haul, subsea, DCI and metro markets. Second, Infinera released its next-generation XTM Series platform, which leverages 16QAM modulation technology and is optimized for bandwidth-intensive applications at the metro edge.

Infinera’s optical portfolio is designed to be managed by a single network management system. Infinera also provides capabilities to enable programmability of its Intelligent Transport Networks with its technologies, such as Instant Bandwidth, which when combined with Infinera’s differentiated hardware solutions, enable customers to turn on bandwidth as needed by activating a software license. Additionally, Infinera’s Xceed Software Suite is a multi-layer management and control platform that simplifies customer operations and enables customers to leverage the scalability, flexibility and openness of our Intelligent Transport Networks to deliver services while efficiently using their network resources.

## Selected consolidated historical financial information

The information below is a summary of Infinera's financial results and positions for the fiscal years 2015-2017 and for the first three months of 2017 and 2018. Infinera's consolidated financial statements are prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP"). The information should be read in conjunction with the section entitled "Capitalization, indebtedness and other financial information" below and Infinera's consolidated financial statements for the fiscal years 2015-2017 and the first three months of fiscal 2017 and 2018, which are available on Infinera's website at [www.infinera.com](http://www.infinera.com) and the SEC's website at [www.sec.gov](http://www.sec.gov). Infinera's consolidated financial statements for the fiscal years 2015-2017 have been audited by Ernst & Young LLP. Infinera's consolidated financial statements for the first three months of 2017 and 2018 have not been audited.

### Consolidated statements of operations

	3 months ended		Years ended		
	March 31, 2018	April 1, 2017	December 30, 2017	December 31, 2016	December 26, 2015
	(USD, in thousands, except per share data)				
<b>Revenue:</b>					
Product	171,629	147,053	610,535	751,167	769,230
Services	31,052	28,469	130,204	118,968	117,484
<b>Total revenue</b>	<b>202,681</b>	<b>175,522</b>	<b>740,739</b>	<b>870,135</b>	<b>886,714</b>
<b>Cost of revenue:</b>					
Cost of product	107,665	99,332	427,118	433,266	436,916
Cost of services	12,831	12,134	50,480	43,151	46,321
Restructuring and other related costs	17	–	19,141	–	–
<b>Total cost of revenue</b>	<b>120,513</b>	<b>111,466</b>	<b>496,739</b>	<b>476,417</b>	<b>483,237</b>
<b>Gross profit</b>	<b>82,168</b>	<b>64,056</b>	<b>244,000</b>	<b>393,718</b>	<b>403,477</b>
<b>Operating expenses:</b>					
Research and development	58,681	55,083	224,299	232,291	180,703
Sales and marketing	30,492	29,441	116,057	118,858	101,398
General and administrative	17,836	17,359	70,625	68,343	61,640
Restructuring and other related costs (credits)	(163)	–	16,106	–	–
<b>Total operating expenses</b>	<b>106,846</b>	<b>101,883</b>	<b>427,087</b>	<b>419,492</b>	<b>343,741</b>
<b>Income (loss) from operations</b>	<b>(24,678)</b>	<b>(37,827)</b>	<b>(183,087)</b>	<b>(25,774)</b>	<b>59,736</b>
<b>Other income (expense), net:</b>					
Interest income	897	751	3,328	2,478	1,837
Interest expense	(3,683)	(3,403)	(14,017)	(12,887)	(11,941)
Other gain (loss), net	506	(130)	(2,160)	7,002	2,399
<b>Total other income (expense), net</b>	<b>(2,280)</b>	<b>(2,782)</b>	<b>(12,849)</b>	<b>(3,407)</b>	<b>(7,705)</b>
<b>Income (loss) before income taxes</b>	<b>(26,958)</b>	<b>(40,609)</b>	<b>(195,936)</b>	<b>(29,181)</b>	<b>52,031</b>
Provision for (benefit from) income taxes	(678)	(158)	(1,430)	(4,751)	1,081
<b>Net income (loss)</b>	<b>(26,280)</b>	<b>(40,451)</b>	<b>(194,506)</b>	<b>(24,430)</b>	<b>50,950</b>
Less: Net loss attributable to noncontrolling interest	–	–	–	(503)	(463)
<b>Net income (loss) attributable to Infinera Corporation</b>	<b>(26,280)</b>	<b>(40,451)</b>	<b>(194,506)</b>	<b>(23,927)</b>	<b>51,413</b>
<b>Net income (loss) per common share attributable to Infinera Corporation:</b>					
Basic	(0.17)	(0.28)	(1.32)	(0.17)	0.39
Diluted	(0.17)	(0.28)	(1.32)	(0.17)	0.36
<b>Weighted average shares used in computing net income (loss) per common share:</b>					
Basic	150,333	145,786	147,878	142,989	133,259
Diluted	150,333	145,786	147,878	142,989	143,171

## Consolidated balance sheets

	March 31, 2018	April 1, 2017	December 30, 2017	December 31, 2016	December 26, 2015
	(USD, in thousands, except par values)				
<b>ASSETS</b>					
<b>Current assets:</b>					
Cash and cash equivalents	151,436	125,658	116,345	162,641	149,101
Short-term investments	112,886	139,113	147,596	141,697	125,561
Accounts receivable, net	161,541	124,325	126,152	150,370	186,243
Inventory	215,888	233,858	214,704	232,955	174,699
Prepaid expenses and other current assets	44,362	48,041	43,140	42,760	29,511
<b>Total current assets</b>	<b>686,113</b>	<b>670,995</b>	<b>647,937</b>	<b>730,423</b>	<b>665,115</b>
Property, plant and equipment, net	135,196	129,007	135,942	124,800	110,861
Intangible assets	83,958	103,673	92,188	108,475	156,319
Goodwill	192,562	179,670	195,615	176,760	191,560
Long-term investments	18,383	80,903	31,019	40,779	76,507
Cost-method investment	5,110	7,000	5,110	7,000	14,500
Other non-current assets	11,335	9,115	9,859	10,346	9,319
<b>Total assets</b>	<b>1,132,657</b>	<b>1,180,363</b>	<b>1,117,670</b>	<b>1,198,583</b>	<b>1,224,181</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>					
<b>Current liabilities:</b>					
Accounts payable	77,776	59,371	58,124	62,486	92,554
Accrued expenses	51,955	32,636	39,782	31,580	33,736
Accrued compensation and related benefits	46,911	32,503	45,751	46,637	49,887
Short-term debt	147,946	—	144,928	—	—
Accrued warranty	14,022	15,425	13,670	16,930	17,889
Deferred revenue	58,460	66,364	72,421	58,900	42,977
<b>Total current liabilities</b>	<b>397,070</b>	<b>206,299</b>	<b>374,676</b>	<b>216,533</b>	<b>237,043</b>
Long-term debt, net	—	136,316	—	133,586	123,327
Accrued warranty, non-current	16,826	20,555	17,239	23,412	20,955
Deferred revenue, non-current	13,181	24,736	22,502	19,362	13,881
Deferred tax liability, non-current	19,398	24,345	21,609	25,327	35,731
Other long-term liabilities	14,973	19,350	16,279	18,035	16,183
<b>Stockholders' equity:</b>					
Preferred stock, \$0.001 par value Authorized shares—25,000	—	—	—	—	—
Common stock, \$0.001 par value Authorized shares—500,000	151	147	149	145	140
Additional paid-in capital	1,438,700	1,374,830	1,417,043	1,354,082	1,300,301
Accumulated other comprehensive income (loss)	1,313	(22,189)	6,254	(28,324)	1,123
Accumulated deficit	(768,955)	(604,026)	(758,081)	(563,575)	(539,413)
<b>Total Infinera stockholders' equity</b>	<b>671,209</b>	<b>748,762</b>	<b>665,365</b>	<b>762,328</b>	<b>762,151</b>
Noncontrolling interests	—	—	—	—	14,910
<b>Total stockholders' equity</b>	<b>671,209</b>	<b>748,762</b>	<b>665,365</b>	<b>762,328</b>	<b>777,061</b>
<b>Total liabilities and stockholders' equity</b>	<b>1,132,657</b>	<b>1,180,363</b>	<b>1,117,670</b>	<b>1,198,583</b>	<b>1,224,181</b>

**Consolidated statements of comprehensive income (loss)**

	3 months ended		Years ended		
	March 31, 2018	April 1, 2017	December 30, 2017	December 31, 2016	December 26, 2015
	(USD, in thousands)				
<b>Net income (loss)</b>	<b>(26,280)</b>	<b>(40,451)</b>	<b>(194,506)</b>	<b>(24,430)</b>	<b>50,950</b>
<b>Other comprehensive loss:</b>					
Unrealized gain (loss) on available-for-sale investments	(125)	(82)	(209)	297	(62)
Foreign currency translation adjustment	(4,816)	6,217	34,787	(29,625)	5,803
Tax effect on items related to available-for-sale investments	–	–	–	(119)	–
<b>Net change in accumulated other comprehensive income (loss)</b>	<b>(4,941)</b>	<b>6,135</b>	<b>34,578</b>	<b>(29,447)</b>	<b>5,741</b>
<b>Less: Comprehensive loss attributable to noncontrolling interest</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(503)</b>	<b>(463)</b>
<b>Comprehensive income (loss)</b>	<b>(31,221)</b>	<b>(34,316)</b>	<b>(159,928)</b>	<b>(53,374)</b>	<b>57,154</b>

**Consolidated statements of cash flow**

	3 months ended		Years ended		
	March 31, 2018	April 1, 2017	December 30, 2017	December 31, 2016	December 26, 2015
	(USD, in thousands)				
<b>Cash Flows from Operating Activities:</b>					
<b>Net income (loss)</b>	<b>(26,280)</b>	<b>(40,451)</b>	<b>(194,506)</b>	<b>(24,430)</b>	<b>50,950</b>
<b>Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:</b>					
Depreciation and amortization	16,976	15,951	65,997	61,489	35,777
Non-cash restructuring and other related costs (credits)	(81)	–	29,237	–	–
Amortization of debt discount and issuance costs	3,018	2,730	11,342	10,260	9,281
Impairment on acquired in-process research and development	–	–	–	11,295	–
Impairment of intangible assets	–	252	252	–	–
Realized gain on sale of cost-method investments	–	–	–	(8,983)	–
Impairment of cost-method investment	–	–	1,890	–	–
Stock-based compensation expense	10,983	10,877	45,720	40,533	32,580
Other loss	84	60	503	1,224	2,475
<b>Changes in assets and liabilities:</b>					
Accounts receivable	(30,928)	26,366	25,849	33,895	(15,971)
Inventory	(2,329)	(326)	2,727	(64,095)	(17,116)
Prepaid expenses and other assets	(3,950)	(5,767)	(8,194)	(5,501)	(3,248)
Accounts payable	19,286	(3,180)	(4,763)	(28,254)	19,223
Accrued liabilities and other expenses	(6,181)	(16,425)	(14,395)	(11,012)	8,448
Deferred revenue	5,293	12,943	16,416	21,439	10,777
<b>Net cash provided by (used in) operating activities</b>	<b>(14,109)</b>	<b>3,030</b>	<b>(21,925)</b>	<b>37,860</b>	<b>133,176</b>
<b>Cash Flows from Investing Activities:</b>					
Purchase of available-for-sale investments	(2,986)	(84,422)	(160,215)	(124,077)	(186,737)
Proceeds from sales of available-for-sale investments	–	–	10,531	–	67,303
Proceeds from maturities and calls of investments	50,168	46,679	152,876	142,898	213,234
Acquisition of business, net of cash acquired	–	–	–	–	(144,445)
Realized gain from forward contract for business acquisition	–	–	–	–	1,053
Purchase of cost-method investment	–	–	–	(7,000)	–
Proceeds from sale of cost-method investments	–	–	–	23,483	–
Purchase of property and equipment	(8,019)	(14,743)	(58,041)	(43,335)	(42,018)
<b>Net cash provided by (used in) investing activities</b>	<b>39,163</b>	<b>(52,486)</b>	<b>(54,849)</b>	<b>(8,031)</b>	<b>(91,610)</b>

**Consolidated statements of cash flow, continued**

	3 months ended		Years ended		
	March 31, 2018	April 1, 2017	December 30, 2017	December 31, 2016	December 26, 2015
(USD, in thousands)					
<b>Cash Flows from Financing Activities:</b>					
Acquisition of noncontrolling interest	–	(471)	(471)	(16,771)	–
Proceeds from issuance of common stock	10,644	9,808	17,991	17,648	25,351
Minimum tax withholding paid on behalf of employees for net share settlement	(97)	(151)	(1,034)	(3,657)	(5,227)
Excess tax benefit from stock option transactions	–	–	–	–	859
<b>Net cash provided by (used in) financing activities</b>	<b>10,547</b>	<b>9,186</b>	<b>16,486</b>	<b>(2,780)</b>	<b>20,983</b>
Effect of exchange rate changes on cash and restricted cash	(58)	1,337	4,194	(3,880)	(93)
<b>Net change in cash, cash equivalents and restricted cash</b>	<b>35,543</b>	<b>(38,933)</b>	<b>(56,094)</b>	<b>23,169</b>	<b>62,456</b>
<b>Cash, cash equivalents and restricted cash at beginning of period</b>	<b>121,486</b>	<b>177,580</b>	<b>177,580</b>	<b>154,411</b>	<b>91,955</b>
<b>Cash, cash equivalents and restricted cash at end of period</b>	<b>157,029</b>	<b>138,647</b>	<b>121,486</b>	<b>177,580</b>	<b>154,411</b>
<b>Supplemental disclosures of cash flow information:</b>					
Cash paid for income taxes, net of refunds	1,537	1,553	5,690	6,625	4,570
Cash paid for interest	9	3	2,639	2,776	2,647
<b>Supplemental schedule of non-cash investing and financing activities</b>					
Transfer of inventory to fixed assets	893	138	4,950	5,597	9,314
Common stock issued in connection with acquisition	–	–	–	–	169,507

**Key ratios<sup>1</sup>**

Key Ratios (%)	3 months ended		Years ended		
	March 31, 2018	April 1, 2017	December 30, 2017	December 31, 2016	December 26, 2015
Gross margin	40.5%	36.5%	32.9%	45.2%	45.5%
Operating margin	(12.2)%	(21.6)%	(24.7)%	(3.0)%	6.7%
Equity/assets ratio	59.3%	63.4%	59.5%	63.6%	63.5%
Debt/equity ratio	22.0%	18.2%	21.8%	17.5%	15.9%

**Definitions**

<b>Gross margin, %</b>	Gross profit as a percentage of total revenue. <sup>2</sup>
<b>Operating margin, %</b>	Operating income (loss) as a percentage of total revenue. <sup>2</sup>
<b>Equity/assets ratio, %</b>	Equity divided by total assets. <sup>2</sup>
<b>Debt/equity ratio, %</b>	Long-term debt divided by equity. <sup>2</sup>

<sup>1</sup> U.S. GAAP based measures.

<sup>2</sup> Infinera believes this ratio enhances an overall understanding of Infinera's financial position and facilitates comparisons to the performance of other companies in the industry.

## Capitalization, indebtedness and other financial information

### Capitalization and indebtedness

The tables below set out Infinera's capitalization and financial indebtedness as of March 31, 2018. Infinera's earnings release and announcement for the second quarter of fiscal 2018 will be published on or around August 7, 2018 and a supplement to this Prospectus will be published in connection therewith. The supplement will include tables with Infinera's capitalization and financial indebtedness as of June 30, 2018, the last day of Infinera's second quarter of fiscal 2018.

#### Capitalization

Infinera's capitalization as of March 31, 2018 is shown below.

USD M	(Unaudited)
<b>Total current interest-bearing liabilities</b>	<b>147.9</b>
Guaranteed	–
Secured	–
Unguaranteed/unsecured	147.9
<b>Total non-current interest-bearing liabilities</b>	<b>–</b>
Guaranteed	–
Secured	–
Unguaranteed/unsecured	–
<b>Total shareholders' equity</b>	<b>671.2</b>
Common stock	0.2
Legal reserve	–
Other reserves	–
Additional paid-in capital	1,438.7
Accumulated other comprehensive income	1.3
Accumulated deficit	(769.0)

#### Financial indebtedness

Infinera's financial indebtedness as of March 31, 2018 is set forth below.

USD M	(Unaudited)
(A) Cash	78.2
(B) Cash equivalents	73.2
(C) Current financial investments	112.9
<b>(D) Liquidity (A)+(B)+(C)</b>	<b>264.3</b>
<b>(E) Current financial receivables</b>	<b>161.5</b>
(F) Current bank debt	147.9
(G) Current portion of non-current debt	–
(H) Other current financial debt	–
<b>(I) Current financial debt (F)+(G)+(H)</b>	<b>147.9</b>
<b>(J) Net current indebtedness (I)-(E)-(D)</b>	<b>(277.9)</b>
(K) Non-current bank loans	–
(L) Bonds issued	–
(M) Other non-current liabilities	–
<b>(N) Non-current financial indebtedness (K)+(L)+(M)</b>	<b>–</b>
<b>(O) Net financial indebtedness (J)+(N)</b>	<b>(277.9)</b>

#### Working capital statement

It is Infinera's assessment that the existing working capital is sufficient for its current needs for at least the next 12-month period.

Infinera believes that its current cash, cash equivalents and investments will be sufficient to meet the anticipated cash needs for working capital and capital expenditures for at least the next 12 months. If these sources of cash are insufficient to satisfy Infinera's liquidity requirements beyond 12 months, Infinera may require additional capital from equity or debt financings to fund its operations, to respond to competitive pressures or strategic opportunities, or otherwise. Infinera may not be able to secure timely additional financing on favorable terms, or at all. The terms of any additional financing may place limits on Infinera's financial and operating flexibility. If

Infinera raises additional funds through further issuances of equity, convertible debt securities or other securities convertible into equity, the then-existing stockholders could suffer dilution in their percentage ownership of Infinera, and any new securities Infinera issues could have rights, preferences and privileges senior to those of holders of Shares.

### **Recent trends**

Total revenue was \$740.7 million in 2017 as compared to \$870.1 million in 2016. This decrease was due to a combination of factors that included customer consolidation, transition to Infinera's next-generation products and shifts in network spend, including weak overall market spending for long-haul solutions. Over the course of 2017, the business gradually recovered as revenue grew sequentially in every quarter. In particular Infinera's near- and long-term recovery was boosted in mid-2017 as Infinera started to ship its new products. This product upgrade helped Infinera's DCI business as ICPs demonstrated interest in its upgraded Cloud Xpress and XT platforms, and also in subsea, a technically demanding market, where Infinera's new products showed early traction based on advances in spectral efficiency. During 2017, Infinera continued to expand its installed base in the metro market as it made progress selling the XTM platform to both traditional long-haul customers as well as new customers. Gross margin decreased to 32.9% in 2017 from 45.2% in 2016. The decline in gross margin was primarily attributable to making strategic investments, amidst Infinera's new product transition, to secure future business with existing and prospective customers across Infinera's end markets and the high cost of early production units from its new products that started to ship during the second half of the year. Infinera also incurred substantial expenses related to embarking on a restructuring initiative in the fourth quarter, aimed at lowering its overall cost structure going forward. Of note even as Infinera's revenue declined, in order to support current and future business opportunities, Infinera continued to maintain consistent levels of manufacturing and services staffing and to invest in research and development, thus requiring Infinera to absorb those fixed costs of a smaller revenue base, which put pressure on gross and operating margin over the year.

Exiting a challenging 2017, Infinera expects revenue will grow in 2018. Growth will be largely dependent on completing Infinera's new product introductions, continued customer adoption of Infinera's new products, Infinera's ability to expand its number of customers and addressable revenue opportunities, and the recovery of spend with its major consolidated customers. It will also depend on overall market conditions. Infinera's quarter-over-quarter revenue could be volatile and impacted by the same factors, and also affected by customer buying patterns and the timing of customer network deployments.

In 2018, while difficult to predict margins on a quarterly basis, having made significant investments in 2017 and having endured a majority of the early high costs of production units associated with Infinera's product transition, Infinera's overall gross margin improved in the first quarter of the year. Over time Infinera expects that mix shifts to next-generation products, growing volumes in the fab, and improving the yields on its next-generation product will benefit its financial position. Infinera's operating expenses in the first quarter of 2018 were lower as a percentage of overall revenue compared to 2017, given the substantial investments made in prior years to drive a faster technology cadence and deliver its next-generation products to market. In addition, Infinera reduced its ongoing cost structure as part of its restructuring in November 2017.

Over a longer period of time, Infinera believes that it can further leverage its vertically-integrated manufacturing model, which combined with a faster cadence of introducing new products, the ability to continue to sell incremental bandwidth capacity into deployed network and expense management, can result in improved profitability and cash flow.

### **Significant changes since March 31, 2018**

There has been no substantial change in Infinera's financial or market position since March 31, 2018.

## Board of Directors, Executive Officers and Auditor

### Board of Directors

Name	Function
Kambiz Y. Hooshmand	Chairman of the Board
John P. Daane	Director
Thomas J. Fallon	Chief Executive Officer and Director
Marcel Gani	Director
Paul J. Milbury	Director
Rajal M. Patel	Director
Mark A. Wegleitner	Director
David F. Welch, Ph.D.	Co-Founder, Chief Strategy and Technology Officer and Director

Below are the biographies of the members of the Board.

#### ***Kambiz Y. Hooshmand***

*Chairman of the Board*

Kambiz Y. Hooshmand has been a member of Infinera's Board since December 2009 and has served as Chairman of Infinera's Board since October 2010. From March 2005 to May 2009, Mr. Hooshmand served as President and Chief Executive Officer ("CEO") of Applied Micro Circuits Corporation, a communications solutions company. From February 2002 to March 2005, Mr. Hooshmand served as Group Vice President and General Manager of Cisco Systems. From March 2000 to February 2002, Mr. Hooshmand served as Vice President and Division General Manager of the DSL Business Unit at Cisco Systems. From June 1997 to February 2000, Mr. Hooshmand served as Cisco Systems' Vice President of Engineering. From January 1992 to June 1997, Mr. Hooshmand served as Director of Engineering of StrataCom, Inc., a networking solutions company, which was acquired by Cisco Systems. Mr. Hooshmand served on the board of directors of Power-One, Inc., an energy efficient power solutions company, from October 2009 to July 2013. Power-One was acquired by ABB Ltd., a power and automation technology company, in July 2013. Mr. Hooshmand holds a B.S. in Electrical Engineering and Computer Science from California State University, Chico and an M.S. in Engineering from Stanford University.

#### ***John P. Daane***

*Director*

John P. Daane has been a member of Infinera's Board since January 2016. Mr. Daane served as the President, CEO and a board member of Altera Corporation, a semiconductor company, from November 2000 through Altera's acquisition by Intel Corporation in December 2015. Mr. Daane also served as the Chairman of the Board of Altera from May 2003 to December 2015. Prior to joining Altera, Mr. Daane spent 15 years at LSI Logic Corporation, a semiconductor manufacturer, in a variety of positions starting as an engineering intern and ending as Executive Vice President of the Communications Product Divisions, including the Networking, Wireless, Telecom, Computer and Consumer Divisions, and central engineering. Mr. Daane also served as a board member of the Semiconductor Industry Association from January 2003 through December 2015. Mr. Daane holds B.A. in Artificial Intelligence from University of California, Berkeley.

#### ***Thomas J. Fallon***

*Chief Executive Officer and Director*

Thomas J. Fallon has served as Infinera's CEO since January 2010 and as a member of Infinera's Board since July 2009. From January 2010 to June 2013, Mr. Fallon also served as Infinera's President. Mr. Fallon served as Infinera's Chief Operating Officer from October 2006 to December 2009, and as Infinera's Vice President of Engineering and Operations from April 2004 to September 2006. From August 2003 to March 2004, Mr. Fallon was Vice President, Corporate Quality and Development Operations at Cisco Systems. From March 1991 to August 2003, Mr. Fallon served in a variety of functions at Cisco, including General Manager of the Optical Transport Business Unit and Vice President of Service Provider Manufacturing. Prior to joining Cisco, Mr. Fallon served in various manufacturing roles at Sun Microsystems and Hewlett Packard. Mr. Fallon currently serves on the board of Hercules Capital, Inc., a specialty finance company, and the Engineering Advisory Board of the Cockrell School at the University of Texas. Mr. Fallon holds B.S.M.E. and M.B.A. degrees from the University of Texas at Austin.

**Marcel Gani***Director*

Marcel Gani has been a member of Infinera's Board since June 2014. Mr. Gani has been an independent consultant since 2009. His previous experience includes Lecturer in Accounting and Finance at the Leavey School of Business at Santa Clara University, and multiple roles at Juniper Networks, including Chief of Staff from January 2005 to March 2006 and Executive Vice President and Chief Financial Officer ("CFO") from February 1997 to December 2004. Prior to Juniper, Mr. Gani served as Vice President and CFO of NVIDIA Corporation from February 1996 to February 1997. Mr. Gani also served as CFO of Grand Junction Networks, Primary Access Corporation and NeXT Computer, Inc. Mr. Gani currently serves on the board of directors of SolarEdge Technologies, Inc., a power optimizer solutions company. Mr. Gani previously served on the board of directors of Envivio, Inc., a video technology company, from May 2011 through October 2015. Mr. Gani holds a B.S. in Applied Mathematics from Ecole Polytechnique Federal, Lausanne Switzerland, and an M.B.A. from the University of Michigan.

**Paul J. Milbury***Director*

Paul J. Milbury has been a member of Infinera's Board since July 2010. Mr. Milbury served as Vice President of Operations and CFO of Starent Networks, Corp., a provider of mobile network solutions, from January 2007 until its acquisition by Cisco Systems, Inc., a networking and telecommunications company, in December 2009. From December 2009 to July 2010, Mr. Milbury played a key role in integrating Starent Networks into Cisco Systems to create the Mobile Internet Technology Group. From December 2000 to March 2007, Mr. Milbury served as Vice President and CFO of Avid Technology, Inc., a digital media creation, management and distribution solutions company. Mr. Milbury previously served on the board of directors of Gigamon, Inc., a provider of network traffic visibility solutions, from January 2014 through its acquisition in December 2017. Mr. Milbury holds a B.B.A. in Business and Economics and an M.B.A. from the University of Massachusetts, Amherst.

**Rajal M. Patel***Director*

Rajal M. Patel has been a member of Infinera's Board since September 2015. Since April 2016, Mr. Patel has served as the Vice President, Cloud Platform Engineering at Symantec Corporation. From March 2014 to April 2016, Mr. Patel served as the Head of Cloud Engineering at Pinterest. Prior to Pinterest, Mr. Patel served as Senior Vice President for Technical Operations at Salesforce.com from July 2013 to December 2013. Mr. Patel was Vice President for Cloud Services Engineering at Cisco from April 2010 to July 2013 for the Webex collaboration portfolio, and held various engineering and management roles at Yahoo! Inc. from 2004 to early 2010. Prior to joining Yahoo!, Mr. Patel worked at Exodus Communications, which was shortly thereafter acquired by Cable and Wireless. While at Cable and Wireless, Mr. Patel served as Vice President of Network Services and facilitated the integration of Exodus technology assets into Cable and Wireless. Mr. Patel began his career at Pacific Bell, which is now AT&T, and over a 10-year span was last the GM of the Advanced Technologies Group. Mr. Patel holds an M.B.A. from the University of Southern California's Marshall School of Business and a B.S. in Electrical Engineering from California State University at Northridge.

**Mark A. Wegleitner***Director*

Mark A. Wegleitner has been a member of Infinera's Board since May 2011. Since April 2011, Mr. Wegleitner has served as President of Wegleitner Consulting, LLC, a privately owned telecommunications consulting company. From September 2007 until his retirement in July 2010, Mr. Wegleitner served as the Senior Vice President, Technology, for Verizon Communications Inc., a telecommunications company, where his responsibilities included technology assessment, network architecture, platform development and laboratory testing for wireline and wireless communications networks. From July 2000 to September 2007, he served as Chief Technology Officer ("CTO") for Verizon, with responsibility for wireline communications technologies. Prior to the creation of Verizon, Mr. Wegleitner held various positions in the Network Services division of Bell Atlantic, a telecommunications company, including CTO from January 1999 to July 2000. Prior to joining Bell Atlantic, he worked at Bell Laboratories and AT&T General Departments. Mr. Wegleitner holds a B.S. in Mathematics from St. John's University and an M.S. in Electrical Engineering and Computer Science from the University of California at Berkeley.

**David F. Welch, Ph.D.**

*Co-Founder, Chief Strategy and Technology Officer and Director*

David F. Welch, Ph.D. co-founded Infinera and has served as its President since June 2013 and as a member of Infinera's Board since October 2010. In November 2017, Dr. Welch transitioned to the role of Chief Strategy and Technology Officer to help guide our long-range technology and product strategy. From June 2013 to November 2017, Dr. Welch served as our President and from May 2004 to June 2013, he served as our Executive Vice President and Chief Strategy Officer. From May 2001 to May 2004, he served as our Chief Development Officer/CTO. From May 2001 to November 2006, he also served as a member of the Board. From February 2001 to April 2001, he served as CTO of the Transmission Division of JDS Uniphase Corporation, an optical component company. From January 1985 to February 2001, he served in various executive roles, including as CTO and Vice President of Corporate Development of SDL Inc., an optical component company. Dr. Welch holds over 130 patents, and has been awarded the Optical Society of America's ("OSA") Adolph Lomb Medal, Joseph Fraunhofer Award, the John Tyndall Award and the IET JJ Thompson Medal for Achievement in Electronics, in recognition of his technical contributions to the optical industry. Dr. Welch is a Fellow of OSA and the Institute of Electrical and Electronics Engineers and currently sits on the board of directors of AntriaBio, Inc., a biopharmaceutical company. Dr. Welch holds a B.S. in Electrical Engineering from the University of Delaware and a Ph.D. in Electrical Engineering from Cornell University.

**Executive Officers of Infinera**

The table below sets forth Infinera's principal executive officer, principal financial officer, and the three most highly compensated individuals serving as executive officers in Infinera (collectively, the "**Executive Officers**").

<b>Name</b>	<b>Position</b>
Thomas J. Fallon	Chief Executive Officer and Director
Brad D. Feller	Chief Financial Officer
David F. Welch, Ph.D.	Co-founder, Chief Strategy and Technology Officer and Director
David W. Heard	General Manager, Products and Solutions
Robert J. Jandro	Senior Vice President, Worldwide Sales
James L. Laufman	Senior Vice President, General Counsel and Corporate Secretary

Below are the biographies for the Executive Officers of Infinera. For the biographies of Thomas J. Fallon and David F. Welch, Ph.D., see "*Board of Directors*."

**Brad D. Feller** has served as Infinera's CFO since March 2014 after joining Infinera as Senior Vice President of Finance in January 2014. Prior to joining Infinera, Mr. Feller served as Interim CFO of Marvell Technology Group Ltd., a fabless semiconductor company, from October 2012 to December 2013, and as Marvell's Vice President, Corporate Controller, from September 2008 to October 2012. Prior to Marvell, Mr. Feller served as Corporate Controller for Integrated Device Technology, Inc., a semiconductor company, from April 2005 to September 2008 and Financial Reporting Manager from October 2003 to April 2005. Prior to that, Mr. Feller served in various roles at Ernst & Young LLP in the technology practice. Mr. Feller is a certified public accountant (inactive) in the State of California and holds a B.S. degree in Business Administration from San Jose State University.

**David W. Heard** has served as our General Manager, Products and Solutions, since June 2017. Prior to joining us, Mr. Heard served as a private consultant from 2015 to June 2017. From 2010 to 2015, Mr. Heard served as President of Network and Service Enablement at JDS Uniphase. From 2007 to 2010, Mr. Heard served as Chief Operating Officer at BigBand Networks (now part of Arris). From 2004 to 2006, Mr. Heard served as President and CEO at Somera (now part of Jabil). From 2003 to 2004, Mr. Heard served as President and General Manager Switching Division at Tekelec (now part of Oracle). From 1995 to 2003, Mr. Heard served in a number of leadership roles at Santera Systems Spatial Networks and at Lucent Technologies (both now part of Nokia). Mr. Heard holds a B.A. in Production and Operations Management from Ohio State University, an M.B.A. from the University of Dayton and an M.S. in Management from Stanford Graduate School of Business, where he was a Sloan Fellow. Mr. Heard currently serves as the Chairman of the Telecommunications Industry Association.

**Robert J. Jandro** has served as Infinera's Senior Vice President, Worldwide Sales, since May 2013. Prior to joining Infinera, Mr. Jandro served as Vice President of Business Development of Openwater Software, Inc., a big data and analytics cloud company, from January 2008 to August 2012. From February 2004 to November 2006, Mr. Jandro served as Chief Executive Officer and President of Nsite Software, Inc., an early cloud company acquired by Business Objects. From March 2000 to August 2002, Mr. Jandro served as Executive Vice

President of Global Sales and Services for ONI Systems, an optical networking company. Prior to that, Mr. Jandro worked at Oracle where he last served as the Group Vice President of Oracle's Communications and Utilities Industries. Mr. Jandro earned a Masters of Management degree from Northwestern University's Kellogg Graduate School of Management and a B.S. in Business from the University of Missouri-St. Louis.

**James L. Laufman** has served as Infinera's Senior Vice President, General Counsel and Corporate Secretary since October 2014. Prior to joining Infinera, Mr. Laufman served as Vice President and General Counsel of Marvell Semiconductor Inc. from October 2008 to October 2014. From September 1999 to October 2008, Mr. Laufman served as General Counsel and Secretary of Integrated Device Technology, Inc. Prior to that, Mr. Laufman served as Senior Corporate Counsel for Quantum Corporation from January 1999 to September 1999. From November 1994 to December 1998, Mr. Laufman served as Vice President and General Counsel of Rohm Corporation. From December 1990 to November 1994, Mr. Laufman worked as an Associate Attorney at the Berliner Cohen and Popelka Allard law firms specializing in the litigation and resolution of commercial transaction matters. Mr. Laufman holds a B.S. in Business Administration, Finance (cum laude) from California State University, Chico and a J.D. from Santa Clara University School of Law.

## Share-based incentive programs

### **2007 Equity Incentive Plan**

In February 2007, Infinera adopted the 2007 Equity Incentive Plan (the "**2007 Plan**") and Infinera's stockholders approved the 2007 Plan in May 2007. Infinera has reserved a total of 46.8 million Shares for issuance under the 2007 Plan. Pursuant to the 2007 Plan, Infinera may award stock options, restricted stock, RSUs, performance stock units, performance shares and stock appreciation rights to employees, consultants and members of the Board. The 2007 Plan was terminated on May 12, 2016 and no new equity grants may be made pursuant to the 2007 Plan. However, the 2007 Plan will continue to govern the terms and conditions of the outstanding options previously granted under the 2007 Plan prior to its termination.

### **2016 Equity Incentive Plan**

In May 2016, Infinera's stockholders approved the 2016 Equity Incentive Plan (the "**2016 Plan**") and, in May 2017 and May 2018, Infinera's stockholders approved an amendment to the 2016 Plan to increase the number of shares authorized under the 2016 by 6.4 million and 1.5 million Shares, respectively. Infinera has reserved a total of 16.9 million Shares for issuance under the 2016 Plan. Pursuant to the 2016 Plan plus any shares subject to awards granted under the 2007 Plan that, after the effective date of the 2016 Plan, expire, are forfeited or otherwise terminate without having been exercised in full to the extent such awards were exercisable, and shares issued pursuant to awards granted under the 2007 Plan that, after the effective date of the 2016 Plan, are forfeited to or repurchased by Infinera due to failure to vest, Infinera may award stock options, restricted stock, RSUs, performance stock units, performance shares and stock appreciation rights to employees, consultants and members of the Board.

### **The Purchase Plan**

The Purchase Plan was adopted by the Board in February 2007 and approved by the stockholders in May 2007. The Purchase Plan was last amended by the stockholders in May 2018 to increase the Shares authorized under the Purchase Plan to 21.1 million Shares. As of March 31, 2018, there were approximately 1,240,229 Shares available to be issued under the Purchase Plan. Eligible employees may purchase Shares through payroll deductions at a price equal to 85% of the lower of the fair market values of the stock as of the beginning or the end of six-month offering periods. An employee's payroll deductions under the Purchase Plan are limited to 15% of the employee's compensation and employees may not purchase more than USD 25,000 of stock during any calendar year. Most employees of Infinera are eligible to participate in the Purchase Plan. Participation in the Purchase Plan is voluntary and dependent on each eligible employee's election to participate and his or her determination as to the level of payroll deductions. The Purchase Plan has a 20-year term. For more information about the Purchase Plan, see the section entitled "*Infinera's Employee Stock Purchase Plan.*"

Shares reserved for future issuance was as follows as of March 31, 2018:

	<b>March 31, 2018</b>
Outstanding stock options and awards	12,170,868
Reserved for future option and award grants	6,454,399
Reserved for future Purchase Plan	1,240,229
<b>Total Shares reserved for stock options and awards</b>	<b>19,865,496</b>

## Shareholdings in Infinera by the Directors and the Executive Officers

The table below sets out information about the Directors' and Executive Officers' holdings of Shares, Shares subject to stock awards and Shares subject to stock option awards as of March 31, 2018.

Name	Position	Common stock at March 31, 2018	Shares subject to Stock Awards outstanding at March 31, 2018 <sup>1</sup>	Shares subject to Option Awards outstanding at March 31, 2018 <sup>2</sup>
Thomas J. Fallon	CEO	1,282,031	68,834	350,032
Brad D. Feller	CFO	174,032	25,316	25,000
David F. Welch, Ph.D. <sup>3</sup>	Chief Strategy and Technology Officer	1,527,294	74,396	412,000
David W. Heard	General Manager, Products and Solutions	0	0	0
Robert J. Jandro	SVP, Worldwide Sales	121,859	24,335	0
James L. Laufman	SVP, General Counsel	47,140	16,155	0
John P. Daane	Director	32,262	15,566	0
Marcel Gani	Director	106,715	15,566	0
Kambiz Y. Hooshmand <sup>4</sup>	Chairman of the Board	88,731	15,566	0
Paul J. Milbury	Director	38,497	15,566	7,600
Rajal M. Patel	Director	23,733	15,566	0
Mark A. Wegleitner	Director	51,631	15,566	40,000
<b>All current Executive Officers and directors as a group (12 persons)</b>		<b>3,493,925</b>	<b>302,432</b>	<b>834,632</b>

<sup>1</sup> Includes unvested time-based RSU and performance-based RSU awards. Upon vesting, each RSU represents a contingent right to receive one share of Infinera common stock.

<sup>2</sup> All outstanding stock options to purchase Shares are fully vested.

<sup>3</sup> Consists of (i) 564,351 shares held by The Welch Family Trust dated 4/3/96; (ii) 292,293 shares held by LRFA, LLC, a limited liability company of which Dr. Welch is the sole managing member; (iii) 140,000 shares held by The Welch Group, L.P., a limited partnership of which Dr. Welch is the general partner; (iv) 528,150 shares held by SEI Private Trust Company, Trustee of The Welch Family Heritage Trust I u/l dated 19/24/01; and (v) 2,500 shares held by Dr. Welch as trustee for his children. Dr. Welch disclaims beneficial ownership of the shares held in trust for his children.

<sup>4</sup> Consists of (i) 48,476 shares held by Mr. Hooshmand; and (ii) 40,255 shares held by 2002 Hooshmand Family Trust UA 3/01/2002.

## Additional information on the Board of Directors and Executive Officers

All members of the Board and the Executive Officers may be reached at the address of Infinera's principal executive offices, 140 Caspian Court, Sunnyvale, CA 94089, USA.

There are no family ties between the members of the Board and/or the Executive Officers. None of the members of the Board or the Executive Officers has been convicted in any fraudulent offences in the past five years. No member of the Board or the Executive Officers has been involved in any bankruptcy, receiverships or liquidations in the past five years. Nor have any of them in the past five years been the subject of any incrimination and/or sanction by statutory or regulatory authorities (including designated professional bodies). No member of the Board or the Executive Officers has, during the past five years, been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of a company.

No member of the Board or the Executive Officers has any private interests that could conflict with those of Infinera. However, as indicated above, several members of the Board and the Executive Officers have financial interests in Infinera through holdings of shares (or share related financial instruments).

Infinera has not entered into any agreement with any member of the Board or Executive Officers concerning benefits after termination of the assignment. However, certain Executive Officers may be entitled to severance payment if Infinera terminates their employment.

## Auditor

The independent registered public accounting firm of Infinera is the San Jose, California, USA office of Ernst & Young LLP (303 S. Almaden Blvd, San Jose, CA 95110, USA), a member firm of Ernst & Young Global Limited. Ernst & Young LLP is registered with the Public Company Accounting Oversight Board (United States) and is a member of the American Institute of Certified Public Accountants.

At Infinera's Annual Meeting held on May 24, 2018, Ernst & Young LLP was reappointed as independent registered public accounting firm for the fiscal year ending December 29, 2018.

## Share information

### General

Pursuant to Infinera's Certificate of Incorporation, the authorized capital stock of Infinera consists of 525,000,000 shares, divided into 500,000,000 Shares and 25,000,000 shares of preferred stock, each with a par value of USD 0.001. The aggregate par value for Infinera's authorized capital stock is USD 525,000.

As of March 31, 2018, there were 151,164,854 Shares issued and outstanding. No shares of preferred stock were issued and outstanding. The aggregate par value for Infinera's issued and outstanding capital stock as of March 31, 2018, was approximately USD 151,164.85. The Shares have been issued under U.S. laws and are denominated in USD. The Shares are not subject to any mandatory takeover bids, squeeze-outs or sell-out process.

### Certain rights attached to the Shares

Infinera is incorporated in the state of Delaware and the rights of Infinera stockholders are currently governed by the Delaware General Corporation Law (the "DGCL"), the Nasdaq Listing Rules, U.S. Federal law and by Infinera's certificate of incorporation and bylaws (together the "Constitutive Documents").

### Voting rights

Delaware law and Infinera's certificate of incorporation provide that each stockholder is entitled to one vote for each Share held on all matters submitted to a vote of stockholders. Infinera's stockholders do not have cumulative voting rights. Should the Board of Infinera authorize the issuance of shares of preferred stock, the Board is authorized, subject to limitations prescribed by law, to fix the voting rights for these shares of preferred stock.

Stockholders holding shares as of the record date for participation in a stockholder meeting may vote their shares in person at such stockholder meeting. Shares held beneficially in street name may be voted in person at the stockholder meeting only if the stockholder obtains a legal proxy issued in its name from the broker, trustee or other nominee that holds such stockholder's shares.

Stockholders of record may also vote by submitting a proxy by mail or over the internet, or by telephone. Stockholders that hold shares beneficially in street name may vote by proxy by submitting voting instructions to their broker, trustee or other nominee.

### Pre-emptive rights

Under Delaware law, absent express provision in a corporation's certificate of incorporation, a stockholder does not, by operation of law, possess pre-emptive rights to subscribe to additional issuances of the corporation's stock.

Infinera's certificate of incorporation does not provide that stockholders possess any pre-emptive right to subscribe to additional issuances of Infinera's capital stock.

### Dividends

Infinera has not paid any cash dividends to date and does not intend to pay any cash dividends on the Shares in the near future. If Infinera should change its policy and in the future pay cash dividends with respect to Shares, holders of Shares would be entitled to receive ratably such dividends, if any, as may be declared by the Board out of funds legally available therefor, subject to any preferential dividend rights of any outstanding shares of preferred stock. The Board determines the record date for any dividends declared. Thereafter, the ex-dividend date would typically be set by Infinera's stock exchange. A stockholder of record that owns Infinera's stock on the record date will be entitled to receive the dividend payment. Any party who purchases Infinera's stock on or after the ex-dividend date will not be entitled to the dividend payment. If a holder of Shares entitled to a future dividend, if any, cannot be reached for a certain period of time (which time period varies from state to state), the stockholder's claim to the dividend amount will typically be abandoned to the stockholder's last known state of residence. In the case of a foreign stockholder, the dividend amount would typically revert to Infinera's state of incorporation (the State of Delaware) after three years. Neither the DGCL, nor Infinera's certificate of incorporation or bylaws contain any restrictions regarding the right to dividends of stockholders outside the United States or Sweden. However, U.S. withholding tax is normally deducted with respect to non-U.S. stockholders. For further information see "*Infinera's Employee Stock Purchase Plan—Taxation and withholding.*"

***Distribution of assets upon liquidation***

A corporation dissolved in accordance with the DGCL is required to make arrangements to pay all claims or obligations in full if there are sufficient assets. If there are insufficient assets, claims and obligations shall be paid or provided for in accordance with their priority, and, among claims of equal priority, ratably to the extent of assets legally available. Any remaining assets shall be distributed to the stockholders of the dissolved corporation (but not before the expiration of 150 days from the date of the last notice provided pursuant to Delaware law). Upon the liquidation, dissolution, or winding up of Infinera, the holders of Shares are entitled to receive ratably the net assets of Infinera available after the payment of all debts and liabilities and subject to the prior rights of any outstanding preferred stock.

***Redemption provisions***

Under the DGCL, any corporation may purchase, redeem and dispose of its own shares, except that it may not purchase or redeem these shares if the capital of the corporation is impaired at the time or would become impaired as a result of the redemption, provided that if a corporation redeems its stock, immediately following any such redemption, the corporation must have outstanding one or more shares of one or more classes which shares together must have full power to vote on matters submitted to a vote of stockholders. Holders of Shares do not have redemption rights under the certificate of incorporation and bylaws.

***Listing***

The Shares are (and Shares acquired under the Purchase Plan will be) listed on the Nasdaq Global Select Market under the symbol “INFN.” The CUSIP (Committee on Uniform Securities Identification Procedures) number for the Shares is 45667G103. The ISIN code is US45667G1031.

***Central securities depository, etc.***

The Shares are registered with the DTC in the United States. The registrar and transfer agent for Shares is Computershare Shareowner Services LLC, 250 Royall Street, Canton, Massachusetts 02021, USA. The Shares that will be delivered in the Offers will be registered in the name of the shareholder. No share certificates will be issued with respect to these shares. Shares purchased on behalf of Participants of the Purchase Plan are deposited with E\*TRADE Financial Corporation (1271 Avenue of the Americas, 14<sup>th</sup> Floor, New York, NY 10020-1302, USA).

The CUSIP (Committee on Uniform Securities Identification Procedures) number for the Shares is 45667G103. The ISIN code is US45667G1031.

***Share-based incentive programs***

Infinera has adopted three share-based incentive programs (the 2007 Plan, the 2016 Plan and the Purchase Plan). Under the 2016 Plan and the Purchase Plan, 6,735,597 Shares are available for future grant as of March 31, 2018, corresponding to approximately 4.46% of Shares outstanding as of March 31, 2018. The 2007 Plan terminated on May 12, 2016 (no new equity grants may be made pursuant to the 2007 Plan). For further information on the share-based incentive programs, see “–Board of Directors, Executive Officers and Auditor–Share-based incentive programs.”

## Legal considerations and supplementary information

### General corporate information

Infinera's full corporate name (and trading name) is Infinera Corporation. Infinera is a U.S. corporation incorporated in the State of Delaware, under the Delaware corporate number 3325877. The address of Infinera's registered office in the State of Delaware is 2711 Centerville Road, Suite 400, City of Wilmington, County of New Castle, USA. Infinera was incorporated on December 6, 2000 under the name "Don 1, Inc.," and originally operated under the name "Zepton Networks." Infinera is headquartered in Sunnyvale, California, USA and Infinera's principal executive offices are located at 140 Caspian Court, Sunnyvale, CA 94089, USA. Infinera's business is conducted in accordance with the General Corporation Law of the State of Delaware.

### Legal and arbitration proceedings

Infinera conducts operations in several countries and, in the ordinary course of business, Infinera is from time to time subject to disputes, claims and administrative procedures. While the outcome of these matters is currently not determinable, Infinera does not expect that the ultimate costs to resolve these matters will have a material effect on its consolidated financial position, results of operations or cash flows. During the past 12 months, Infinera has not been part to any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which Infinera is aware) which may have, or have had in the recent past, significant effects on Infinera's financial position or profitability.

On November 23, 2016, Oyster Optics, LLP ("**Oyster Optics**") filed a complaint against Infinera in the United States District Court for the Eastern District of Texas ("**Eastern District**"). The complaint asserts U.S. Patent Nos. 6,469,816, 6,476,952, 6,594,055, 7,099,592, 7,620,327, 8,374,511 and 8,913,898. The complaint seeks unspecified damages and a permanent injunction. Infinera filed its answer to Oyster Optics' complaint on February 3, 2017. On October 23, 2017, the Company filed a petition for Inter Partes Review ("**IPR**") of one of the Oyster Optics patents in suit, U.S. Patent No. 8,913,898 with the U.S. Patent and Trademark Office. Other defendants have filed IPR petitions in connection with the Oyster Optics patents in suit. A Markman decision issued on December 5, 2017 and fact discovery closed on December 22, 2017. Oyster Optics has now dropped the '511 and '898 patents, leaving only a few claims in the '327 patent at issue in the case. On May 15, 2018, Oyster Optics filed a second complaint against Infinera in the Eastern District. The second complaint alleges infringement of the '327 and '898 patents, as well as U.S. Patent No. 9,749,040. The complaint seeks unspecified damages and a permanent injunction. Infinera's response to the complaint is due on July 16, 2018. Infinera believes that it does not infringe any valid and enforceable claim of the Oyster Optics patents asserted in the first and second suits and intends to defend this second action vigorously. On June 8, 2018, the court granted the parties' joint motion to sever and consolidate the first-filed lawsuit with the later filed case. The court has not set a procedural schedule in the consolidated case. Infinera is unable to predict the outcome of this litigation and therefore cannot reasonably estimate the possible loss or range of loss, if any, arising from this matter.

On March 24, 2017, Core Optical Technologies, LLC ("**Core Optical**") filed a complaint against Infinera in the United States District Court for the Central District of California. The complaint asserts U.S. Patent No. 6,782,211 (the "**Core Optical patent in suit**"). The complaint seeks unspecified damages and a permanent injunction. Infinera believes that it does not infringe any valid and enforceable claim of the Core Optical patent in suit and intends to defend this action vigorously. Infinera filed its answer to Core Optical's complaint on September 25, 2017. A Markman hearing was held on May 9, 2018 and the court has set a trial for March 2019. Infinera is unable to predict the outcome of this litigation at this time and therefore cannot reasonably estimate the possible loss or range of loss, if any, arising from this matter.

### Documents on display

The following documents (save for financial information of subsidiary undertakings) are available in electronic form at Infinera's website, [www.infinera.com](http://www.infinera.com). Copies of the documents are also available upon request during ordinary weekday office hours at Infinera's headquarters at 140 Caspian Court, Sunnyvale, CA 94089.

- Infinera's Certificate of Incorporation.
- Infinera's Bylaws.
- Infinera's Annual Reports on Form 10-K for the fiscal years 2015-2017 (including historical financial information of subsidiary undertakings for the fiscal years 2016-2017).
- Infinera's Quarterly Report on Form 10-Q for the first quarter of fiscal 2018.

**Declaration of responsibility**

Infinera is responsible for the contents of the Prospectus. Infinera hereby declares that, having taken all reasonable care to ensure that such is the case, the information in the Prospectus is, to the best of Infinera's knowledge, in accordance with the facts and contains no omission likely to affect its import.

## THE INFINERA 2007 EMPLOYEE STOCK PURCHASE PLAN

### The Purchase Plan

#### INFINERA CORPORATION

#### 2007 EMPLOYEE STOCK PURCHASE PLAN

(as amended and restated on May 24, 2018)

1. **Purpose.** The purpose of the Plan is to provide employees of the Company and its Designated Companies with an opportunity to purchase Common Stock through accumulated Contributions. The Company's intention is to have the Plan include two components: (i) a Code Section 423 Component (the "Section 423 Component"), which the Company intends to qualify as an "employee stock purchase plan" under Section 423 of the Code (although the Company makes no undertaking or representation to maintain such qualification); and (ii) a non-Code Section 423 Component (the "Non-Section 423 Component"), which the Company does not intend to qualify as an "employee stock purchase plan" under Section 423 of the Code. The provisions of the Plan, accordingly, will be construed so as to extend and limit Plan participation consistent with the foregoing intent.

2. **Definitions.**

(a) "Administrator" means the Board or any Committee designated by the Board to administer the Plan pursuant to Section 14.

(b) "Applicable Laws" means the requirements relating to the administration of equity-based awards, including but not limited to the related issuance of shares of Common Stock, under U.S. state corporate laws, U.S. federal and state securities laws, the Code, any stock exchange or quotation system on which the Common Stock is listed or quoted and the applicable laws of any non-U.S. country or jurisdiction where options are, or will be, granted under the Plan.

(c) "Board" means the Board of Directors of the Company.

(d) "Change in Control" means the occurrence of any of the following events:

(i) Any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becomes the "beneficial owner" (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company's then outstanding voting securities; or

(ii) The consummation of the sale or disposition by the Company of all or substantially all of the Company's assets; or

(iii) The consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation; or

(iv) A change in the composition of the Board occurring within a two (2) year period, as a result of which less than a majority of the Directors are Incumbent Directors. "Incumbent Directors" means Directors who either (A) are Directors as of the effective date of the Plan, or (B) are elected, or nominated for election, to the Board with the affirmative votes of at least a majority of the Directors at the time of such election or nomination (but will not include an individual whose election or nomination is in connection with an actual or threatened proxy contest relating to the election of Directors to the Company).

(e) "Code" means the Internal Revenue Code of 1986, as amended. Any reference to a section of the Code herein will be a reference to any successor or amended section of the Code.

(f) "Committee" means a committee of the Board appointed in accordance with Section 14 hereof.

(g) "Common Stock" means the common stock of the Company.

(h) "Company" means Infinera Corporation, a Delaware corporation.

(i) "Compensation" means an Employee's base straight time gross earnings, commissions (to the extent such commissions are an integral, recurring part of compensation), overtime and shift premium, but exclusive of payments for incentive compensation, bonuses and other compensation.

(j) "Contributions" means payroll deductions (to the extent permitted under Applicable Laws) and any other contributions the Company may allow to be made by a participant to fund the purchase of shares of Common Stock under the Plan if payroll deductions are not permitted or advisable under Applicable Laws.

(k) "Designated Company" means any Subsidiary that has been designated by the Administrator from time to time in its sole discretion as eligible to participate in the Plan. At any given time a Subsidiary that is a Designated Company under the Section 423 Component shall not be a Designated Company under the Non-Section 423 Component. The Committee may provide that any Designated Company shall only be eligible to participate in the Non-Section 423 Component.

(l) "Director" means a member of the Board.

(m) "Eligible Employee" means any individual who is a common law employee of an Employer and is customarily employed for at least twenty (20) hours per week and more than five (5) months in any calendar year by the Employer. For purposes of the Plan, the employment relationship will be treated as continuing intact while the individual is on sick leave or other leave of absence that the Employer approves or is legally protected under Applicable Laws. Where the period of leave exceeds three (3) months and the individual's right to reemployment is not guaranteed either by statute or by contract, the employment relationship will be deemed to have terminated on the date three (3) months and one (1) day following the commencement of such leave. The Administrator, in its discretion, from time to time may, prior to an Offering Date for all options to be granted on such Offering Date in an Offering, determine (on a uniform and nondiscriminatory basis) that the definition of Eligible Employee will or will

not include an individual if he or she: (i) has not completed at least two (2) years of service since his or her last hire date (or such lesser period of time as may be determined by the Administrator in its discretion), (ii) customarily works not more than twenty (20) hours per week (or such lesser period of time as may be determined by the Administrator in its discretion), (iii) customarily works not more than five (5) months per calendar year (or such lesser period of time as may be determined by the Administrator in its discretion), (iv) is a highly compensated employee within the meaning of Section 414(q) of the Code, or (v) is a highly compensated employee within the meaning of Section 414(q) of the Code with compensation above a certain level or is an officer or subject to the disclosure requirements of Section 16(a) of the Exchange Act, provided the exclusion is applied with respect to each Offering in an identical manner to all highly compensated individuals of the Employer whose Eligible Employees are participating in that Offering. Each exclusion shall be applied with respect to an Offering in a manner complying with U.S. Treasury Regulation Section 1.423-2(e)(2)(ii).

(n) “Employer” means any one or all of the Company and its Designated Companies.

(o) “Exchange Act” means the Securities Exchange Act of 1934, as amended, including the rules and regulations promulgated thereunder.

(p) “Exercise Date” means the first Trading Day on or after February 15 and August 15 of each year.

(q) “Fair Market Value” means, as of any date and unless the Administrator determines otherwise, the value of Common Stock determined as follows:

(i) If the Common Stock is listed on any established stock exchange or a national market system, including without limitation the Nasdaq Global Select Market, the Nasdaq Global Market or the Nasdaq Capital Market of The Nasdaq Stock Market, its Fair Market Value will be the closing sales price for such stock (or the closing bid, if no sales were reported) as quoted on such exchange or system on the date of determination, as reported in *The Wall Street Journal* or such other source as the Administrator deems reliable;

(ii) If the Common Stock is regularly quoted by a recognized securities dealer but selling prices are not reported, its Fair Market Value will be the mean of the closing bid and asked prices for the Common Stock on the date of determination (or if no bids and asks were reported on that date, on the last day such bids and asks were reported), as reported in *The Wall Street Journal* or such other source as the Administrator deems reliable; or

(iii) In the absence of an established market for the Common Stock, the Fair Market Value thereof will be determined in good faith by the Administrator.

(r) “Fiscal Year” means the fiscal year of the Company.

(s) “New Exercise Date” means a new Exercise Date set by shortening any Offering Period then in progress.

(t) “Non-Section 423 Component” means the part of the Plan that is not intended to meet the requirements set forth in Section 423 of the Code.

(u) “Offering” means an offer under the Plan of an option that may be exercised during an Offering Period as further described in Section 4. For purposes of the Plan, the Administrator may designate separate Offerings under the Plan (the terms of which need not be identical) in which Eligible Employees of one or more Eligible Employers will participate, even if the dates of the applicable Offering Periods of each such Offering are identical and the provisions of the Plan will separately apply to each Offering. To the extent permitted by U.S. Treasury Regulation Section 1.423-2(a)(1), the terms of each Offering need not be identical provided that the terms of the Plan and an Offering together satisfy U.S. Treasury Regulation Section 1.423-2(a)(2) and (a)(3).

(v) “Offering Date” means the first Trading Day of each Offering Period.

(w) “Offering Periods” means the periods of approximately six (6) months during which an option granted pursuant to the Plan may be exercised, (i) commencing on the first Trading Day on or after February 15 of each year and terminating on the first Trading Day on or following August 15, approximately six (6) months later, and (ii) commencing on the first Trading Day on or after August 15 of each year and terminating on the first Trading Day on or following February 15, approximately six (6) months later. The duration and timing of Offering Periods may be changed pursuant to Sections 4 and 20.

(x) “Parent” means a “parent corporation,” whether now or hereafter existing, as defined in Section 424(e) of the Code.

(y) “Plan” means this Infinera Corporation 2007 Employee Stock Purchase Plan, as amended from time to time.

(z) “Purchase Period” means the period during an Offering Period in which shares of Common Stock may be purchased on a participant’s behalf in accordance with the terms of the Plan. Unless and until the Administrator provides otherwise, the Purchase Period will have the same duration and coincide with the length of the Offering Period.

(aa) “Purchase Price” means an amount equal to eighty-five percent (85%) of the Fair Market Value of a share of Common Stock on the Offering Date or on the Exercise Date, whichever is lower; provided however, that the Purchase Price may be determined for subsequent Offering Periods by the Administrator subject to compliance with Section 423 of the Code (or any successor rule or provision or any other Applicable Laws) or pursuant to Section 20.

(bb) “Section 423 Component” means the part of the Plan, which excludes the Non-Section 423 Component, pursuant to which options to purchase shares of Common Stock that satisfy the requirements for “employee stock purchase plans” set forth in Section 423 of the Code may be granted to Eligible Employees.

(cc) “Subsidiary” means a “subsidiary corporation,” whether now or hereafter existing, as defined in Section 424(f) of the Code.

(dd) "Trading Day" means a day on which the national stock exchange upon which the Common Stock is listed is open for trading.

3. Eligibility.

(a) Offering Periods. Any Eligible Employee on a given Offering Date will be eligible to participate in the Plan, subject to the requirements of Section 5.

(b) Non-U.S. Employees. Eligible Employees who are citizens or residents of a non-U.S. jurisdiction (without regard to whether they also are citizens or residents of the United States or resident aliens (within the meaning of Section 7701(b)(1)(A) of the Code)) may be excluded from participation in an Offering under Section 423 of the Plan if the participation of such Employees is prohibited under the laws of the applicable jurisdiction or if complying with the laws of the applicable jurisdiction would cause the Offering to violate Section 423 of the Code. Non-U.S. Employees may participate in an Offering under the Non-Section 423 Component.

(c) Limitations. Any provisions of the Plan to the contrary notwithstanding, no Eligible Employee will be granted an option under the Plan (i) to the extent that, immediately after the grant, such Eligible Employee (or any other person whose stock would be attributed to such Eligible Employee pursuant to Section 424(d) of the Code) would own capital stock of the Company or any Parent or Subsidiary of the Company and/or hold outstanding options to purchase such stock possessing five percent (5%) or more of the total combined voting power or value of all classes of the capital stock of the Company or of any Parent or Subsidiary of the Company, or (ii) to the extent that his or her rights to purchase stock under all employee stock purchase plans (as defined in Section 423 of the Code) of the Company or any Parent or Subsidiary of the Company accrues at a rate which exceeds twenty-five thousand dollars (\$25,000) worth of stock (determined at the Fair Market Value of the stock at the time such option is granted) for each calendar year in which such option is outstanding at any time.

4. Offering Periods. The Plan will be implemented by consecutive Offering Periods with a new Offering Period commencing on the first Trading Day on or after February 15 and August 15 each year, or on such other date as the Administrator will determine. The Administrator will have the power to change the duration of Offering Periods (including the commencement dates thereof) with respect to future Offerings without stockholder approval if such change is announced prior to the scheduled beginning of the first Offering Period to be affected thereafter; provided, however, that no Offering Period may last more than twenty-seven (27) months.

5. Participation. An Eligible Employee may participate in the Plan pursuant to Section 3(a) by (i) submitting to the Company's payroll office (or its designee), on or before a date prescribed by the Administrator prior to an applicable Offering Date, a properly completed subscription agreement authorizing Contributions in the form provided by the Administrator for such purpose, or (ii) following an electronic or other enrollment procedure prescribed by the Administrator.

6. Contributions.

(a) At the time a participant enrolls in the Plan pursuant to Section 5, he or she will elect to have Contributions made on each pay day during the Offering Period in an amount not exceeding fifteen percent (15%) of the Compensation, in whole percentages only, which he or she receives on each pay day during the Offering Period; provided, however, that should a pay day occur on an Exercise Date, a participant will have the Contributions made on such day applied to his or her account under the subsequent Purchase or Offering Period. A participant's subscription agreement will remain in effect for successive Offering Periods unless terminated as provided in Section 10 hereof.

(b) Contributions for a participant will commence on the first pay day following the Offering Date and will end on the last pay day prior to the Exercise Date of such Offering Period to which such authorization is applicable, unless sooner terminated by the participant as provided in Section 10 hereof.

(c) All Contributions made for a participant will be credited to his or her account under the Plan and will be withheld in whole percentages only. A participant may not make any additional payments into such account, unless required by Applicable Laws.

(d) A participant may discontinue his or her participation in the Plan as provided in Section 10, or may decrease (but not increase) the rate of his or her Contributions during the Offering Period by (i) properly completing and submitting to the Company's payroll office (or its designee), on or before a date prescribed by the Administrator prior to an applicable Exercise Date, a new subscription agreement authorizing the change in Contribution rate in the form provided by the Administrator for such purpose, or (ii) following an electronic or other procedure prescribed by the Administrator; provided, however, that a participant may only make one Contribution change during each Offering Period. A participant may increase or decrease the rate of his or her Contributions for future Offering Periods by (x) properly completing and submitting to the Company's payroll office (or its designee), on or before a date prescribed by the Administrator prior to an applicable Offering Period, a new subscription agreement authorizing the change in Contribution rate in the form provided by the Administrator for such purpose, or (y) following an electronic or other procedure prescribed by the Administrator. If a participant has not followed such procedures to change the rate of Contributions, the rate of his or her Contributions will continue at the originally elected rate throughout the Offering Period and future Offering Periods (unless terminated as provided in Section 10). The Administrator may, in its sole discretion, limit the nature and/or number of Contribution rate changes that may be made by participants during any Offering Period. Any change in Contribution rate made pursuant to this Section 6(d) will be effective as of the first full payroll period following five (5) business days after the date on which the change is made by the participant (unless the Administrator, in its sole discretion, elects to process a given change in Contribution rate more quickly).

(e) Notwithstanding the foregoing, to the extent necessary to comply with Section 423(b)(8) of the Code and Section 3(c), a participant's Contributions may be decreased to zero percent (0%) at any time during an Offering Period. Subject to Section 423(b)(8) of the Code and Section 3(c) hereof, Contributions will recommence at the rate originally elected by the participant effective as of the beginning of the first Offering Period which is scheduled to end in the following calendar year, unless terminated by the participant as provided in Section 10.

(f) At the time the option is exercised, in whole or in part, or at the time some or all of the Common Stock issued under the Plan is disposed of (or any other time that a taxable event related to the Plan occurs), the participant must make adequate provision for the Company's or Employer's federal, state, local, or any other tax liability payable to any authority including taxes imposed by jurisdictions outside of the U.S., national insurance, social insurance contributions, social security, payroll tax, fringe benefits tax, payment on account or other tax withholding obligations, if any, which arise upon the exercise of the option or the disposition of the Common Stock (or any other time that a taxable event related to the Plan occurs). At any time, the Company or the Employer may, but will not be obligated to, withhold from the participant's compensation or other payments made to the participant the amount necessary for the Company or the Employer to meet applicable withholding obligations, including any withholding required to make available to the Company or the Employer any tax deductions or benefits attributable to sale or early disposition of Common Stock by the participant. In addition, the Company or the Employer may, but will not be obligated to, withhold from the proceeds of the sale of Common Stock or any other method of withholding the Company or the Employer deems appropriate to the extent permitted by U.S. Treasury Regulation Section 1.423-2(f) for Offerings under the Section 423 Component and Applicable Laws for Offerings under the Non-Section 423 Component.

7. Grant of Option. On the Offering Date of each Offering Period, each Eligible Employee participating in such Offering Period will be granted an option to purchase on each Exercise Date during such Offering Period (at the applicable Purchase Price) up to a number of shares of Common Stock determined by dividing such Eligible Employee's Contributions accumulated prior to such Exercise Date and retained in the Eligible Employee's account as of the Exercise Date by the applicable Purchase Price; provided that in no event will an Eligible Employee be permitted to purchase during each Offering Period more than 3,000 shares of the Common Stock (subject to any adjustment pursuant to Section 19), and provided further that such purchase will be subject to the limitations set forth in Sections 3(c) and 13. The Eligible Employee may accept the grant of such option by electing to participate in the Plan in accordance with the requirements of Section 5. The Administrator may, for future Offering Periods, increase or decrease, in its absolute discretion, the maximum number of shares of Common Stock that an Eligible Employee may purchase during each Offering Period and/or each Purchase Period of an Offering Period. Exercise of the option will occur as provided in Section 8, unless the participant has withdrawn pursuant to Section 10. The option will expire on the last day of the Offering Period.

8. Exercise of Option.

(a) Unless a participant withdraws from the Plan as provided in Section 10, his or her option for the purchase of shares of Common Stock will be exercised automatically on the Exercise Date, and the maximum number of full shares subject to option will be purchased for such participant at the applicable Purchase Price with the accumulated Contributions in his or her account. No fractional shares of Common Stock will be purchased; any Contributions accumulated in a participant's account which are not sufficient to purchase a full share will be retained in the participant's account for the subsequent Purchase Period and/or Offering Period, as applicable, subject to earlier withdrawal by the participant as provided in Section 10. Any other funds left over in a participant's account after the Exercise Date will be returned to the participant. During a participant's lifetime, a participant's option to purchase shares hereunder is exercisable only by him or her.

(b) If the Administrator determines that, on a given Exercise Date, the number of shares of Common Stock with respect to which options are to be exercised may exceed (i) the number of shares of Common Stock that were available for sale under the Plan on the Offering Date of the applicable Offering Period, or (ii) the number of shares of Common Stock available for sale under the Plan on such Exercise Date, the Administrator may in its sole discretion provide that the Company will make a pro rata allocation of the shares of Common Stock available for purchase on such Offering Date or Exercise Date, as applicable, in as uniform a manner as will be practicable and as it will determine in its sole discretion to be equitable among all participants exercising options to purchase Common Stock on such Exercise Date, and continue all Offering Periods then in effect or terminate all Offering Periods then in effect pursuant to Section 20. The Company may make a pro rata allocation of the shares available on the Offering Date of any applicable Offering Period pursuant to the preceding sentence, notwithstanding any authorization of additional shares for issuance under the Plan by the Company's stockholders subsequent to such Offering Date.

9. Delivery. As soon as reasonably practicable after each Exercise Date on which a purchase of shares of Common Stock occurs, the Company will arrange the delivery to each participant the shares purchased upon exercise of his or her option in a form determined by the Administrator (in its sole discretion) and pursuant to rules established by the Administrator. The Company may permit or require that shares be deposited directly with a broker designated by the Company or to a trustee or designated agent of the Company, and the Company may utilize electronic or automated methods of share transfer. The Company may require that shares be retained with such broker, trustee or agent for a designated period of time and/or may establish other procedures to permit tracking of disqualifying dispositions or other dispositions of such shares. No participant will have any voting, dividend, or other stockholder rights with respect to shares of Common Stock subject to any option granted under the Plan until such shares have been purchased and delivered to the participant as provided in this Section 9.

10. Withdrawal.

(a) A participant may withdraw all but not less than all the Contributions credited to his or her account and not yet used to exercise his or her option under the Plan at any time by (i) submitting to the Company's payroll office (or its designee) a written notice of withdrawal in the form prescribed by the Administrator for such purpose, or (ii) following an electronic or other withdrawal procedure prescribed by the Administrator. All of the participant's Contributions credited to his or her account will be paid to such participant promptly after receipt of notice of withdrawal and such participant's option for the Offering Period will be automatically terminated, and no further Contributions for the purchase of shares will be made for such Offering Period. If a participant withdraws from an Offering Period, Contributions will not resume at the beginning of the succeeding Offering Period, unless the participant re-enrolls in the Plan in accordance with the provisions of Section 5.

(b) A participant's withdrawal from an Offering Period will not have any effect upon his or her eligibility to participate in any similar plan which may hereafter be adopted by the Company or in succeeding Offering Periods which commence after the termination of the Offering Period from which the participant withdraws.

11. Termination of Employment. Unless otherwise required by Applicable Laws, upon a participant's ceasing to be an Eligible Employee, for any reason, he or she will be deemed to have elected to withdraw from the Plan and the Contributions credited to such participant's account during the Offering Period but not yet used to purchase shares of Common Stock under the Plan will be returned to such participant or, in the case of his or her death, to the person or persons entitled thereto under Section 15, and such participant's option will be automatically terminated.

12. Interest. No interest will accrue on the Contributions of a participant in the Plan, unless otherwise required by Applicable Laws.

13. Stock.

(a) Subject to adjustment upon changes in capitalization of the Company as provided in Section 19 hereof, the maximum number of shares of Common Stock which will be made available for sale under the Plan will be 21,056,830 shares.

(b) Until the shares are issued (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company), a participant will only have the rights of an unsecured creditor with respect to such shares, and no right to vote or receive dividends or any other rights as a stockholder will exist with respect to such shares.

(c) Shares of Common Stock to be delivered to a participant under the Plan will be registered in the name of the participant or in the name of the participant and his or her spouse.

14. Administration. The Plan will be administered by the Board or a Committee appointed by the Board or a Committee, which Committee will be constituted to comply with Applicable Laws. The Administrator will have full and exclusive discretionary authority to construe, interpret and apply the terms of the Plan, to designate separate Offerings under the Plan, to determine eligibility and to adjudicate all disputed claims filed under the Plan. Every finding, decision and determination made by the Administrator will, to the full extent permitted by law, be final and binding upon all parties. Notwithstanding any provision to the contrary in this Plan, the Administrator may adopt rules or procedures relating to the operation and administration of the Plan to accommodate the specific requirements of local laws and procedures for jurisdictions outside of the United States. Without limiting the generality of the foregoing, the Administrator is specifically authorized to adopt rules and procedures regarding eligibility to participate, the definition of Compensation, making of Contributions to the Plan (including, without limitation, in forms other than payroll deductions), establishment of bank or trust accounts to hold Contributions, payment of interest, conversion of local currency, obligations to pay payroll tax, determination of beneficiary designation requirements, withholding procedures and handling of stock certificates which vary with local requirements.

15. Designation of Beneficiary.

(a) If authorized by the Administrator, a participant may file a designation of a beneficiary who is to receive any shares of Common Stock and cash, if any, from the participant's account under the Plan in the event of such participant's death subsequent to an Exercise Date on which the option is

exercised but prior to delivery to such participant of such shares and cash. In addition, if authorized by the Administrator, a participant may file a designation of a beneficiary who is to receive any cash from the participant's account under the Plan in the event of such participant's death prior to exercise of the option. If a participant is married and the designated beneficiary is not the spouse, spousal consent will be required for such designation to be effective.

(b) Such designation of beneficiary may be changed by the participant at any time by notice in a form determined by the Administrator. In the event of the death of a participant and in the absence of a beneficiary validly designated under the Plan who is living at the time of such participant's death, the Company will deliver such shares and/or cash to the executor or administrator of the estate of the participant, or if no such executor or administrator has been appointed (to the knowledge of the Company), the Company, in its discretion, may deliver such shares and/or cash to the spouse or to any one or more dependents or relatives of the participant, or if no spouse, dependent or relative is known to the Company, then to such other person as the Company may designate.

(c) All beneficiary designations will be in such form and manner as the Administrator may designate from time to time.

16. Transferability. Neither Contributions credited to a participant's account nor any rights with regard to the exercise of an option or to receive shares of Common Stock under the Plan may be assigned, transferred, pledged or otherwise disposed of in any way (other than by will, the laws of descent and distribution or as provided in Section 15 hereof) by the participant. Any such attempt at assignment, transfer, pledge or other disposition will be without effect, except that the Company may treat such act as an election to withdraw funds from an Offering Period in accordance with Section 10 hereof.

17. Use of Funds. The Company may use all Contributions received or held by it under the Plan for any corporate purpose, and the Company will not be obligated to segregate such Contributions, unless otherwise required by Applicable Laws. Until shares of Common Stock are issued, participants will only have the rights of an unsecured creditor with respect to such shares.

18. Reports. Individual accounts will be maintained for each participant in the Plan. Statements of account will be given to participants at least annually, which statements will set forth the amounts of Contributions, the Purchase Price, the number of shares of Common Stock purchased and the remaining cash balance, if any.

19. Adjustments, Dissolution, Liquidation, Merger or Change in Control.

(a) Adjustments. In the event that any dividend or other distribution (whether in the form of cash, Common Stock, other securities, or other property), recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase, or exchange of Common Stock or other securities of the Company, or other change in the corporate structure of the Company affecting the Common Stock occurs, the Administrator, in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan, shall, in such manner as it may deem equitable, adjust the number and class of Common Stock which may be delivered under the Plan, the Purchase Price per share, and class and number of shares of Common Stock

covered by each option under the Plan which has not yet been exercised, and the numerical limits of Sections 7 and 13.

(b) Dissolution or Liquidation. In the event of the proposed dissolution or liquidation of the Company, any Offering Period then in progress will be shortened by setting a New Exercise Date, and will terminate immediately prior to the consummation of such proposed dissolution or liquidation, unless provided otherwise by the Administrator. The New Exercise Date will be before the date of the Company's proposed dissolution or liquidation. The Administrator will notify each participant in writing or electronically, at least ten (10) business days prior to the New Exercise Date, that the Exercise Date for the participant's option has been changed to the New Exercise Date and that the participant's option will be exercised automatically on the New Exercise Date, unless prior to such date the participant has withdrawn from the Offering Period as provided in Section 10 hereof.

(c) Merger or Change in Control. In the event of a merger or Change in Control, each outstanding option will be assumed or an equivalent option substituted by the successor corporation or a Parent or Subsidiary of the successor corporation. In the event that the successor corporation refuses to assume or substitute for the option, the Offering Period with respect to which such option relates will be shortened by setting a New Exercise Date and will end on the New Exercise Date. The New Exercise Date will occur before the date of the Company's proposed merger or Change in Control. The Administrator will notify each participant in writing or electronically prior to the New Exercise Date, that the Exercise Date for the participant's option has been changed to the New Exercise Date and that the participant's option will be exercised automatically on the New Exercise Date, unless prior to such date the participant has withdrawn from the Offering Period as provided in Section 10 hereof.

20. Amendment or Termination.

(a) The Administrator, in its sole discretion, may amend, suspend, or terminate the Plan, or any part thereof, at any time and for any reason. If the Plan is terminated, the Administrator, in its discretion, may elect to terminate all outstanding Offering Periods either immediately or upon completion of the purchase of shares of Common Stock on the next Exercise Date (which may be sooner than originally scheduled if determined by the Administrator in its discretion), or may elect to permit Offering Periods to expire in accordance with their terms (and subject to any adjustment pursuant to Section 19). If the Offering Periods are terminated prior to expiration, all amounts then credited to participants' accounts which have not been used to purchase shares of Common Stock will be returned to the participants (without interest thereon, except as otherwise required by Applicable Laws) as soon as administratively practicable.

(b) Without stockholder consent and without limiting Section 20(a), the Administrator will be entitled to change the Offering Periods, designate separate Offerings, limit the frequency and/or number of changes in the amount withheld during an Offering Period, establish the exchange ratio applicable to amounts withheld in a currency other than U.S. dollars, permit Contributions in excess of the amount designated by a participant in order to adjust for delays or mistakes in the Company's processing of properly completed Contribution elections, establish reasonable waiting and adjustment periods and/or accounting and crediting procedures to ensure that amounts applied toward the purchase of Common Stock for each participant properly correspond with Contribution amounts, and establish such other

limitations or procedures as the Administrator determines in its sole discretion advisable which are consistent with the Plan.

(c) In the event the Administrator determines that the ongoing operation of the Plan may result in unfavorable financial accounting consequences, the Administrator may, in its discretion and, to the extent necessary or desirable, modify, amend or terminate the Plan to reduce or eliminate such accounting consequence including, but not limited to:

(i) amending the Plan to conform with the safe harbor definition under Statement of Financial Accounting Standards Board Accounting Standards Codification Topic 718 (or any successor thereto), including with respect to an Offering Period underway at the time;

(ii) altering the Purchase Price for any Offering Period including an Offering Period underway at the time of the change in Purchase Price;

(iii) shortening any Offering Period by setting a New Exercise Date, including an Offering Period underway at the time of the Administrator action;

(iv) reducing the maximum percentage of Compensation a participant may elect to set aside as Contributions; and

(v) reducing the maximum number of Shares a participant may purchase during any Offering Period or Purchase Period.

Such modifications or amendments will not require stockholder approval or the consent of any Plan participants.

21. Notices. All notices or other communications by a participant to the Company under or in connection with the Plan will be deemed to have been duly given when received in the form and manner specified by the Company at the location, or by the person, designated by the Company for the receipt thereof.

22. Conditions upon Issuance of Shares. Shares of Common Stock will not be issued with respect to an option unless the exercise of such option and the issuance and delivery of such shares pursuant thereto will comply with all Applicable Laws, including, without limitation, the Securities Act of 1933, as amended, the Exchange Act, the rules and regulations promulgated thereunder, and the requirements of any stock exchange upon which the shares may then be listed, and will be further subject to the approval of counsel for the Company with respect to such compliance.

As a condition to the exercise of an option, the Company may require the person exercising such option to represent and warrant at the time of any such exercise that the shares are being purchased only for investment and without any present intention to sell or distribute such shares if, in the opinion of counsel for the Company, such a representation is required by any of the aforementioned applicable provisions of law.

23. Code Section 409A. The Plan is intended to be exempt from the application of Code Section 409A, and to the extent not exempt, is intended to comply with Code Section 409A and any ambiguities or ambiguous terms herein will be interpreted to so be exempt from or comply with Code Section 409A. In furtherance of the foregoing and notwithstanding any provision in the Plan to the contrary, if the Administrator determines that an option granted under the Plan may be subject to Code Section 409A or that any provision in the Plan would cause an option under the Plan to be subject to Code Section 409A, the Administrator may amend the terms of the Plan and/or of an outstanding option granted under the Plan, or take such other action the Administrator determines is necessary or appropriate, in each case, without the participant's consent, to exempt any outstanding option or future option that may be granted under the Plan from or to allow any such options to comply with Code Section 409A, but only to the extent any such amendments or action by the Administrator would not violate Code Section 409A. Notwithstanding the foregoing, in no event will the Company or any Parent, Subsidiary or other affiliate of the Company have any liability or obligation to reimburse, indemnify, or hold harmless a participant or any other party if the option to purchase Common Stock under the Plan that is intended to be exempt from or compliant with Code Section 409A is not so exempt or compliant or for any action taken by the Administrator with respect thereto. The Company makes no representation that the option to purchase Common Stock under the Plan is exempt from or compliant with Code Section 409A.

24. Term of Plan. The Plan will become effective upon the earlier to occur of its adoption by the Board or its approval by the stockholders of the Company. It will continue in effect unless sooner terminated under Section 20.

25. Stockholder Approval. The Plan will be subject to approval by the stockholders of the Company within twelve (12) months after the date the Plan is adopted by the Board. Such stockholder approval will be obtained in the manner and to the degree required under Applicable Laws.

26. Governing Law. The Plan will be governed by, and construed in accordance with, the laws of the State of California (except its choice-of-law provisions).

27. No Right to Employment. Participation in the Plan by a Participant will not be construed as giving a participant the right to be retained as an employee of the Company or a Subsidiary, as applicable. Furthermore, the Company or a Subsidiary may dismiss a participant from employment at any time, free from any liability or any claim under the Plan.

28. Severability. If any provision of the Plan is or becomes or is deemed to be invalid, illegal, or unenforceable for any reason in any jurisdiction or as to any participant, such invalidity, illegality or unenforceability will not affect the remaining parts of the Plan, and the Plan will be construed and enforced as to such jurisdiction or participant as if the invalid, illegal or unenforceable provision had not been included.

29. Compliance with Applicable Laws. The terms of this Plan are intended to comply with all Applicable Laws and will be construed accordingly.

## Form of Global Subscription Agreement

**INFINERA CORPORATION**  
**2007 EMPLOYEE STOCK PURCHASE PLAN**  
**GLOBAL SUBSCRIPTION AGREEMENT**

1. I hereby elect to participate in the Infinera Corporation 2007 Employee Stock Purchase Plan (the "Plan") and subscribe to purchase shares of the Common Stock of Infinera Corporation (the "Company") in accordance with this Subscription Agreement (including any country-specific appendices hereto) (the "Agreement") and the Plan. Capitalized terms not defined herein shall have the meanings ascribed to them in the Plan.

2. By enrolling in the Plan and making my online enrollment elections, I hereby authorize payroll deductions from each paycheck in the amount of the elected percentage of my Compensation on each payday (from 0 to 15%) during the Offering Period in accordance with the Plan. (Please note that no fractional percentages are permitted.)

3. I understand that said payroll deductions will be accumulated for the purchase of shares of Common Stock at the applicable Purchase Price determined in accordance with the Plan. I understand that, if I do not withdraw from an Offering Period, any accumulated payroll deductions will be used to automatically exercise my option on the Exercise Date and purchase the maximum number of whole shares of Common Stock under the Plan. I understand that no fractional shares of Common Stock will be purchased. I further understand that any payroll deductions accumulated in my account which are not sufficient to purchase a full share of Common Stock will be refunded to me promptly after a given Exercise Date.

4. I understand that the option to purchase shares of Common Stock is not transferable and is exercisable only by me during my lifetime.

5. I understand that I may decrease (but not increase) the rate of my payroll deductions during the Offering Period; provided, however, that I may make only one payroll deduction change during each Offering Period.

6. I understand that shares of Common Stock purchased for me under the Plan should be issued in my name or in my name and the name of my spouse only.

7. I acknowledge and agree that, regardless of any action the Company or, if different, my employer (the "Employer") takes, the ultimate liability for all income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items related to my participation in the Plan and legally applicable to me ("Tax-Related Items") is and remains my responsibility and may exceed the amount actually withheld by the Company and/or the Employer. I further acknowledge that the Company and/or the Employer (a) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of my participation in the Plan, including but not limited to the grant of the option to purchase shares of Common Stock, the purchase of Common Stock, the issuance of the Common Stock purchased, the subsequent sale of Common Stock acquired under the Plan or the receipt of any dividends; and (b) do not commit to and are under no obligation to structure the terms of the grant of the option to purchase shares of Common Stock or any aspect of the Plan to reduce or eliminate my liability for Tax-Related Items or achieve any particular tax result. Further, I acknowledge and agree that, if I am subject to tax in more than one jurisdiction, the Company and/or the Employer may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

I agree to make adequate arrangements satisfactory to the Company and/or the Employer to satisfy all Tax-Related Items prior to any taxable or tax withholding event, as applicable. In this regard, I authorize the Company and/or the Employer, or their respective agents, to satisfy the obligations with regard to all Tax-Related Items by withholding from my Compensation. If the obligations for Tax-Related Items cannot be satisfied by withholding from my Compensation as contemplated herein, then I authorize the Company and/or the Employer or their respective agents to satisfy the obligations with regard to all Tax-Related Items by withholding from proceeds of the sale of shares of Common Stock acquired upon exercise of the option, either through a voluntary sale or through a mandatory sale arranged by the Company (on my behalf pursuant to this authorization without further consent) or, if such method is problematic under applicable tax or securities law or has materially adverse accounting consequences, by withholding from the shares of Common Stock to be issued upon exercise of the option to purchase shares of Common Stock. I acknowledge and agree that the number of shares of Common Stock sold will be rounded up to the nearest whole share of Common Stock, with a cash refund remitted to me for the value of the shares of Common Stock sold in excess of the Tax-Related Items (and any associated broker or other fees), all pursuant to such procedures as the Administrator may specify from time to time.

Depending on the withholding method, I understand that the Company and/or Employer may withhold or account for Tax-Related Items by considering applicable minimum statutory withholding amounts or other applicable withholding rates, including maximum applicable rates, in which case I may receive a refund of any over-withheld amount in cash and will have no entitlement to the Common Stock equivalent. I further understand that, if the obligation for Tax-Related Items is satisfied by withholding in shares of Common Stock, for tax purposes, I will be deemed to have been issued the full number of shares of Common Stock acquired on the Exercise Date, notwithstanding that a number of the shares of Common Stock are held back solely for the purpose of paying the Tax-Related Items due as a result of any aspect of the option to purchase shares of Common Stock and my participation in the Plan.

Finally, I agree to pay to the Company and/or the Employer any amount of the Tax-Related Items that the Company, the Employer and/or any other Subsidiary may be required to withhold or account for as a result of my participation in the Plan that cannot be satisfied by the means previously described. I acknowledge and agree that the Company may refuse to honor the purchase or refuse to deliver the shares of Common Stock or the proceeds of the sale of shares of Common Stock if I fail to comply with my obligations in connection with the Tax-Related Items.

8. By participating in the Plan and making my online enrollment elections, I acknowledge and agree that:

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

(b) the grant of the option to purchase share of Common Stock is voluntary and occasional and does not create any contractual or other right to receive future grants of options, or benefits in lieu of options, even if options have been granted in the past;

(c) all decisions with respect to future options to purchase shares of Common Stock, if any, will be at the sole discretion of the Company;

(d) the grant of the option to purchase shares of Common Stock and my participation in the Plan shall not create a right to employment or be interpreted as forming an employment or service contract with the Company, the Employer or any other Subsidiary and shall not interfere with the ability of the Company, the Employer or any other Subsidiary to terminate my employment relationship (if any);

(c) I am voluntarily participating in the Plan;

(f) the option to purchase shares of Common Stock and the Common Stock, and the income from and value of same, are extraordinary items that do not constitute compensation of any kind for services of any kind rendered to the Company or the Employer and are outside the scope of my employment contract, if any;

(g) the Plan and the shares of Common Stock purchased under the Plan, and the income from and value of same, are not intended to replace any pension rights or compensation;

(h) the Plan and the shares of Common Stock subject to the Plan, and the income from and value of same, are not part of normal or expected compensation for purposes of calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments, and in no event should be considered as compensation for, or relating in any way to, past employment or services for the Company, the Employer and/or other Subsidiary;

(i) the future value of the underlying shares of Common Stock is unknown, indeterminable and cannot be predicted with certainty;

(j) the value of the shares of Common Stock purchased under the Plan may increase or decrease in the future, even below the Purchase Price;

(k) no claim or entitlement to compensation or damages shall arise from forfeiture of the option to purchase shares of Common Stock under the Plan resulting from termination of my employment with the Company or the Employer (for any reason whatsoever, whether or not later found to be invalid or in breach of employment laws in the jurisdiction where I am employed or the terms of my employment agreement, if any);

(l) in the event of termination of my employment (for any reason whatsoever, whether or not later found to be invalid or in breach of employment laws in the jurisdiction where I am employed or the terms of my employment agreement, if any), unless otherwise provided in the Plan or determined by the Company, my right to participate in the Plan and my option to purchase shares of Common Stock, if any, will terminate effective as of the date I cease to actively provide services and will not be extended by any notice period (e.g., employment would not include any contractual notice or any period of "garden leave" or similar period mandated under employment laws in the jurisdiction where I am employed or the terms of my employment agreement, if any); the Company shall have exclusive discretion to determine when I am no longer actively employed for purposes of my option; and

(m) unless otherwise agreed with the Company, the Plan and the shares of Common Stock subject to the Plan, and the income from and value of same, are not granted as consideration for, or in connection with, the service I may provide as a director of any Subsidiary;

(n) the following provisions apply only if I am providing services outside the United States:

(A) the Plan and the shares of Common Stock subject to the Plan are not part of normal or expected compensation or salary for any purpose; and

(B) neither the Company, the Employer nor any other Subsidiary shall be liable for any foreign exchange rate fluctuation between my local currency and the United States Dollar that may affect the value of the shares of Common Stock or any amounts due pursuant to the purchase of the shares or the subsequent sale of any shares of Common Stock purchased under the Plan.

9. I understand that the Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding my participation in the Plan, or my acquisition or sale of the

underlying Common Stock. I should therefore consult with my own personal tax, legal and financial advisors regarding my participation in the Plan before taking any action related to the Plan.

10. *The Company and the Employer may collect, process and use certain personal information about me, including, but not limited to, my name, home address, telephone number, email address, date of birth, social insurance number, passport or other identification number, salary, nationality, job title, any shares of Common Stock or directorships held in the Company, details of all options granted under the Plan or any other entitlement to Common Stock awarded, canceled, exercised, vested, unvested or outstanding in my favor ("Data"), for the purposes of implementing, administering and managing the Plan. The legal basis, where required, for the processing of Data is my consent.*

*The Company transfers Data to E\*TRADE Financial Services, Inc. and its affiliated companies, an independent service provider based in the United States which is assisting the Company with the implementation, administration and management of the Plan. The Company may select a different service provider or additional service providers and share Data with such other provider serving in a similar manner. I may be asked to agree on separate terms and data processing practices with the service provider, with such agreement being a condition to the ability to participate in the Plan.*

*The Company and some of its service providers are based in the United States. My country or jurisdiction may have different data privacy laws and protections than the United States. For example, the European Commission has issued a limited adequacy finding with respect to the United States that applies only to the extent companies register for the EU-U.S. Privacy Shield program. The Company's legal basis for the transfer of Data, where required, is my consent.*

*The Company will hold and use Data only as long as is necessary to implement, administer and manage my participation in the Plan, or as required to comply with legal or regulatory obligations, including under tax and security laws.*

*Participation in the Plan is voluntary and I am providing the consents herein on a purely voluntary basis. If I do not consent, or if I later seek to revoke my consent, my salary from or employment with the Employer will not be affected; the only consequence of refusing or withdrawing my consent is that the Company would not be able to grant me options to purchase shares of Common Stock under the Plan or other equity awards or administer or maintain such awards.*

*I may have a number of rights under data privacy laws in my jurisdiction. Depending on where I am based, such rights may include the right to (i) request access to or copies of Data the Company processes, (ii) rectify incorrect Data, (iii) delete Data, (iv) restrict the processing of Data, (v) restrict the portability of Data, (vi) lodge complaints with competent authorities in my jurisdiction, and/or (vii) receive a list with the names and addresses of any potential recipients of Data. To receive clarification regarding these rights or to exercise these rights, I can contact my local human resources representative.*

*By accepting this Agreement and indicating consent via the Company's acceptance procedure, I am declaring that I agree with the data processing practices described herein and consent to the collection, processing and use of Data by the Company and the transfer of Data to the recipients mentioned above, including recipients located in countries which do not provide an adequate level of protection from a European (or other non-U.S.) data protection law perspective, for the purposes described above.*

*Finally, upon request of the Company or the Employer, I agree to provide a separate executed data privacy consent form (or any other agreements or consents) that the Company and/or the Employer may deem necessary to obtain from me for the purpose of administering my participation in the Plan in compliance with the data privacy laws in my country, either now or in the future. I understand and agree that I will not be able*

*to participate in the Plan, if I fail to provide any such consent or agreement requested by the Company and/or the Employer.*

11. I acknowledge that I am proficient in the English language and understand the content of this Agreement and other materials related to the Plan. I understand that if I have received this Agreement, or any other document related to this Agreement and/or 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.

12. I acknowledge and agree that the option to purchase shares of Common Stock shall be subject to any special provisions set forth in the Appendix for my country, if any. I further acknowledge and agree that if I relocate to one of the countries included in the Appendix during the Offering Period, the special provisions for such country shall apply to me to the extent the Company determines that the application of such provisions is necessary or advisable for legal or administrative reasons. The Appendix constitutes part of this Agreement.

13. This Agreement is subject to all terms and provisions of the Plan. In the event of a conflict between one or more provisions of this Agreement and one or more provisions of the Plan, the provisions of the Plan will govern.

14. I understand that the Administrator will have the power to interpret the Plan and this Agreement and to adopt such rules for the administration, interpretation and application of the Plan as are consistent therewith and to interpret or revoke any such rules. All actions taken and all interpretations and determinations made by the Administrator in good faith will be final and binding upon me, the Company and all other interested persons. No member of the Administrator will be personally liable for any action, determination or interpretation made in good faith with respect to the Plan or this Agreement.

15. I understand that the Company may, in its sole discretion, decide to deliver any documents related to the Plan by electronic means or request my consent to participate in the Plan by electronic means. I hereby consent to receive such documents by electronic delivery and agree to participate in the Plan through any on-line or electronic system established and maintained by the Company or another third party designated by the Company.

16. I understand that in the event that any provision in this Agreement will be held invalid or unenforceable, such provision will be severable from, and such invalidity or unenforceability will not be construed to have any effect on, the remaining provisions of this Agreement.

17. I acknowledge that, depending on my country or broker's country, or the country in which the shares of Common Stock are listed, I may be subject to insider-trading restrictions and/or market-abuse laws in applicable jurisdictions, which may affect my ability to accept, acquire, sell or attempt to sell, or otherwise dispose of shares of Common Stock, rights to shares of Common Stock or rights linked to the value of shares of Common Stock, during such times as I am considered to have "inside information" regarding the Company (as defined by the laws or regulations in the applicable jurisdictions, including the United States and my country). Local insider trading laws and regulations may prohibit the cancellation or amendment of orders I placed before possessing inside information. Furthermore, I may be prohibited from (a) disclosing the inside information to any third party (other than on a "need to know" basis) and (b) "tipping" third parties or causing them to otherwise buy or sell securities (third parties include fellow employees). Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable Company insider-trading policy. I am responsible for complying with any applicable restrictions, so I should speak to my personal legal advisor for further details regarding any applicable insider-trading and/or market-abuse laws in my country.

18. I acknowledge that there may be certain foreign asset and/or account reporting requirements which may affect my ability to acquire or hold shares of Common Stock acquired under the Plan or cash received from participating in the Plan (including from any dividends paid on shares acquired under the Plan) in a brokerage or

bank account outside my country. I may be required to report such accounts, assets or transactions to the tax or other authorities in my country. I also may be required to repatriate sale proceeds or other funds received as a result of my participation in the Plan to my country through a designated bank or broker within a certain time after receipt. I acknowledge that it is my responsibility to be compliant with such regulations, and will consult my personal legal advisor for any details.

19. I understand that this Agreement shall be governed by the laws of the State of California, without giving effect to the conflict of law principles thereof. For purposes of litigating any dispute that arises under this Agreement, the parties hereby submit to and consent to the jurisdiction of the State of California, and agree that such litigation shall be conducted in the courts of Santa Clara County, California, or the federal courts for the United States for the Northern District of California, and no other courts, where the option to purchase shares of Common Stock is made and/or to be performed.

20. The Company reserves the right to impose other requirements on my participation in the Plan to the extent the Company determines it is necessary or advisable for legal or administrative reasons and to require me to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

21. I 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 by me or any other participant.

22. I hereby agree to be bound by the terms of the Plan. The effectiveness of this Agreement is dependent upon my eligibility to participate in the Plan.

23. I UNDERSTAND THAT THIS AGREEMENT WILL REMAIN IN EFFECT THROUGHOUT SUCCESSIVE OFFERING PERIODS UNLESS TERMINATED PURSUANT TO THE PLAN OR THIS AGREEMENT.

**APPENDIX TO**  
**INFINERA CORPORATION**  
**2007 EMPLOYEE STOCK PURCHASE PLAN**  
**GLOBAL SUBSCRIPTION AGREEMENT**

Certain capitalized terms used but not defined in this Appendix have the meanings set forth in the Plan and the Subscription Agreement.

**Terms and Conditions**

This Appendix includes additional terms and conditions that govern the option to purchase shares of Common Stock granted to me under the Plan if I reside and/or work in one of the countries listed below.

If I am a citizen or resident of a country other than the one in which I am currently residing and/or working, transfer employment and/or residency after the first day of the Offering Period, or am considered a resident of another country for local law purposes, the terms and conditions of the option to purchase shares of Common Stock contained herein may not be applicable to me, and the Company shall, in its discretion, determine to what extent the terms and conditions contained herein shall apply to me.

**Notifications**

This Appendix also includes information regarding exchange controls and certain other issues of which I should be aware with respect to my participation in the Plan. The information is based on the securities, exchange control and other laws in effect in the respective countries as of December 2017. Such laws are often complex and change frequently. As a result, the Company strongly recommends that I not rely on the information in this Appendix as the only source of information relating to the consequences of my participation in the Plan because the information may be out of date on the Exercise Date or when I sell the shares of Common Stock acquired under the Plan.

I understand that the information contained herein is general in nature and may not apply to my particular situation, and the Company is not in a position to assure me of any particular result. I should therefore seek appropriate professional advice as to how the relevant laws in my country may apply to my situation.

Finally, I understand that if I am a citizen or resident of a country other than the one in which I am currently residing and/or working, transfer employment and/or residency after the first day of the Offering Period or I am considered a resident of another country for local law purposes, the notifications contained herein may not be applicable to me in the same manner.

**BELGIUM**

**Terms and Conditions**

**Authorization to Remit Eligible Cash Earnings.** I understand that for Belgian law purposes, “payroll deductions” means a specific instruction by me to the Employer to pay out part of my eligible Compensation in order to fund the Purchase Price for the shares of Common Stock in accordance with the terms and conditions of the Plan.

### **Notifications**

**Foreign Asset/Account Reporting Information.** Belgian residents are required to report any securities (e.g., shares of Common Stock acquired under the Plan) or bank accounts held outside Belgium on their annual tax returns. Belgian residents are also 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 they report the foreign security and/or bank account on their annual tax returns. This report, as well as additional information on how to complete it, can be found on the website of the National Bank of Belgium, [www.nbb.be](http://www.nbb.be), under *Kredietcentrales / Centrales des crédits* caption. Belgian residents should consult with their personal advisors to ensure compliance with applicable reporting obligations.

**Stock Exchange Tax.** From January 1, 2017, a stock exchange tax applies to transactions executed by Belgian residents through non-Belgian financial intermediaries, such as a U.S. broker. The stock exchange tax likely will apply when the shares of Common Stock are sold.

## **CANADA**

### **Terms and Conditions**

**Labor Law Acknowledgement.** This provision replaces the acknowledgement contained in Paragraph 8(l) of the Subscription Agreement:

In the event of the termination of my employment (for any reason whatsoever, whether or not later found to be invalid or in breach of employment laws in the jurisdiction where I am employed or the terms of my employment agreement, if any), my right to participate in the Plan and any options granted to me under the Plan, if any, will terminate effective as of the date that is the earliest of: (i) the date that my employment with the Company or the Employer is terminated; (ii) the date that I receive written notice of termination of my employment from the Company or the Employer (regardless of any notice period or period of pay in lieu of such notice mandated under the employment laws in Canada or the terms of my employment agreement, if any); or (iii) the date that I am no longer actively employed by the Company or any Subsidiaries, with such date being determined by the Company in its sole discretion;

### **THE FOLLOWING PROVISIONS WILL APPLY IF I RESIDE IN QUEBEC:**

**French Language Provision.** 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 Paragraph 10 of the Subscription Agreement:

I 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. I further authorize the Company, the Employer (or any other Subsidiary) and the Administrator to disclose and

discuss the Plan with their advisors. I further authorize the Company, the Employer (or any other Subsidiary) to record such information and to keep such information in my employee file.

#### **Notifications**

**Securities Law Information.** I understand that there may be securities law implications if I sell shares of Common Stock acquired through the Plan through a broker other than a broker appointed under the Plan or the sale does not take place through the facilities of a stock exchange outside Canada on which the shares of Common Stock are listed (*i.e.*, the Nasdaq Global Select Market).

**Foreign Asset/Account Reporting Information.** Foreign specified property (including cash held outside of Canada and any shares of Common Stock) held by Canadian residents must be reported annually on Form T1135 (Foreign Income Verification Statement) if the total cost of such foreign specified property exceeds C\$100,000 at any time during the year. Option to purchase shares of Common Stock under the Plan must be reported (generally at nil cost) on Form T1135 if the C\$100,000 cost threshold is exceeded because of other foreign specified property I hold. If shares of Common Stock are acquired, their cost is generally the adjusted cost base ("ACB") of the shares. The ACB would equal the fair market value of the shares at the time of acquisition, but if I own other shares of Common Stock, this ACB may have to be averaged with the ACB of the other shares. The form must be filed with my annual tax return by April 30 of the following year. Canadian residents should consult with their personal legal advisors to ensure compliance with applicable reporting obligations.

### **DENMARK**

#### **Terms and Conditions**

**Danish Stock Option Act.** By participating in the Plan and making my online enrollment elections, I acknowledge that I have received an Employer Statement translated into Danish, which is being provided to me to comply with the Danish Stock Option Act. To the extent more favorable to me and required to comply with the Stock Option Act, the terms set forth in the Employer Statement will apply to my participation in the Plan.

#### **Notifications**

**Exchange Control and Tax Reporting Information.** I acknowledge that I may hold shares of Common Stock acquired under the Plan in a safety-deposit account (*e.g.*, a brokerage account) with either a Danish bank or with an approved foreign broker or bank. If the shares of Common Stock are held with a non-Danish broker or bank, I am required to inform the Danish Tax Administration about the safety-deposit account. For this purpose, I must file a Declaration V (*Erklaering V*) with the Danish Tax Administration. I must sign the Declaration V and the broker or bank may sign the Declaration V. By signing the Declaration V, the bank/broker undertakes an obligation, without further request each year, not later than on February 1 of the year following the calendar year to which the information relates, to forward certain information to the Danish Tax Administration concerning the content of the safety-deposit account. In the event that the applicable broker or bank with which the safety-deposit account is held does not wish to, or, pursuant to the laws of the country in question, is not allowed to assume such obligation to report, I acknowledge that I am solely responsible for providing certain details regarding the foreign brokerage or bank account and any shares of Common Stock acquired under the Plan and held in such account to the Danish Tax Administration as part of my annual income tax return. By signing the Declaration V, I also authorize the Danish Tax Administration to examine the account. A sample of the Declaration V can be found at the following website: [www.skat.dk/getFile.aspx?Id=47392](http://www.skat.dk/getFile.aspx?Id=47392).

In addition, when I open a brokerage account (or a deposit account) outside of Denmark, the account will be treated as a deposit account because cash can be held in the account. Therefore, I acknowledge that I must also file a Declaration K (*Erklaering K*) with the Danish Tax Administration. Both the bank/broker and I must sign the

Declaration K, unless an exemption from the broker/bank signature requirement is granted by the Danish Tax Administration. It is possible to seek the exemption on the Declaration K, which I should do at the time I submit the Declaration K. By signing the Declaration K, the bank/broker undertakes an obligation, without further request each year, not later than on February 1 of the year following the calendar year to which the information relates, to forward certain information to the Danish Tax Administration concerning the content of the deposit account. In the event that the applicable financial institution (broker or bank) with which the account is held, does not wish to, or, pursuant to the laws of the country in question, is not allowed to assume such obligation to report, I acknowledge that I am solely responsible for providing certain details regarding the foreign brokerage or bank account to the Danish Tax Administration as part of my annual income tax return. By signing the Declaration K, I also authorize the Danish Tax Administration to examine the account. A sample of Declaration K can be found at the following website: [www.skat.dk/getFile.aspx?Id=42409&newwindow=true](http://www.skat.dk/getFile.aspx?Id=42409&newwindow=true).

**Foreign Asset/Account Reporting Information.** If I establish an account holding shares of Common Stock or cash outside of Denmark, I must report the account to the Danish Tax Administration. The form which should be used in this respect can be obtained from a local bank. These obligations are separate from and in addition to the obligations described above.

EMPLOYER STATEMENT	ARBEJDSGIVERERKLÆRING
<p>Pursuant to Section 3(1) of the Act on Stock Options in employment relations (the "Stock Option Act"), you are entitled to receive the following information regarding the Infinera Corporation 2007 Employee Stock Purchase Plan (the "Plan") in a separate written statement.</p> <p>This statement contains information applicable to your participation in the Plan, as required under the Stock Option Act. Additional terms and conditions of the Plan are described in the Plan and other subscription materials, which have been made available to you. In the event of a conflict between a provision contained in this Employer Statement and provisions contained in the Plan subscription materials, this Employer Statement shall prevail. Capitalized terms used but not defined herein, shall have the same meaning as terms defined in the Plan.</p> <p>1. Time of grant of right to purchase stock under the Plan</p> <p>Provided you are eligible to participate in the Plan and decide to enroll in the Plan, consistent with the requirements of the Stock Option Act and the Plan, you will be granted a right to purchase shares of stock of Infinera Corporation (the "Company") at the beginning of each Offering Period, as defined in the Plan, as long as you remain enrolled in the Plan.</p> <p>For each Offering Period, you may elect to have payroll deductions from each paycheck in the amount of a specific percentage of your Compensation on each payday (from 0% to 15%). Your participation in the Plan is subject to the additional terms and conditions provided in the Plan materials.</p> <p>2. Terms or conditions for grant of a right to future purchases of stock</p> <p>The Plan is offered at the discretion of the Company's Board of Directors. The Company may terminate, suspend or amend the Plan at any time and without the consent of the participating employees.</p> <p>3. Purchase Date</p> <p>On the last day of each Purchase Period, or the next trading day, if the last day is not a trading day (<i>i.e.</i>, the Exercise Date), shares of common stock of the Company will automatically be purchased for you with your accumulated payroll deductions. The number of shares purchased will depend upon the Purchase Price, as defined below, and the amount of accumulated payroll deductions. You will become the owner of the shares purchased and you may then sell your shares at any time, subject to any insider trading restrictions.</p> <p>4. Purchase Price</p>	<p>I henhold til § 3, stk. 1, i lov om brug af køberet eller tegningsret mv. i ansættelsesforhold ("Aktieoptionsloven") er du berettiget til i en særskilt skriftlig erklæring at modtage følgende oplysninger vedrørende Infinera Corporation's medarbejderaktieordning "2007 Employee Stock Purchase Plan" (i det følgende kaldet "Plan").</p> <p>Denne erklæring indeholder de i henhold til Aktieoptionsloven krævede oplysninger vedrørende din deltagelse i Plan. Yderligere kriterier og betingelser for ordningen er beskrevet i Plan og det andet tegningsmateriale, som du har fået udleveret. I tilfælde af uoverensstemmelser mellem en bestemmelse i denne Arbejdsgivererklæring og bestemmelserne i Plan-tegningsmaterialet skal denne Arbejdsgivererklæring have forrang. Begreber, der står med stort begyndelsesbogstav i denne Arbejdsgivererklæring, men som ikke er defineret heri, har samme betydning som de i Plan definerede begreber.</p> <p>1. Tidspunktet for tildeling af retten til at købe aktier i henhold til Plan</p> <p>Forudsat at du er berettiget til at deltage i Plan samt beslutter dig for at tilmelde dig Plan, vil du i overensstemmelse med kravene i Aktieoptionsloven og Plan få tildelt en ret til at købe aktier i Infinera Corporation ("Selskabet") ved starten af hver Udbudsperiode (som defineret i Plan), så længe du vedbliver at være tilmeldt Plan.</p> <p>For hver Udbudsperiode kan du vælge, at der i forbindelse med hver lønudbetaling fra din løn trækkes et beløb svarende til en bestemt procentdel af dit Vederlag (fra 0% til 15%). Din deltagelse i Plan er underlagt de yderligere kriterier og betingelser, som fremgår af Plan-materialet.</p> <p>2. Kriterier eller betingelser for tildeling af retten til senere at købe aktier</p> <p>Plan udbydes efter Selskabets bestyrelses frie skøn. Selskabet har til enhver tid ret til at ophæve, afbryde eller ændre Plan uden de deltagende medarbejderes samtykke.</p> <p>3. Købsdato</p> <p>På den sidste dag i hver købsperiode, eller, hvis denne dag ikke er en handelsdag, på den næstfølgende handelsdag efter den sidste dag i hver Udbudsperiode (dvs. Udnyttelsesdatoen) vil der automatisk blive købt ordinære aktier i Selskabet til dig for det akkumulerede beløb, der er fratrukket dine lønudbetalinger. Antallet af købte aktier afhænger af Købskursen (som defineret nedenfor) og det akkumulerede beløb, der er fratrukket dine lønudbetalinger. Du bliver den umiddelbare ejer af de købte aktier, og du kan til enhver tid sælge dine aktier.</p> <p>4. Købskurs</p>

<p>The Purchase Price per share shall mean an amount equal to 85% of the lesser of (a) the Fair Market Value, as defined in the Plan, of a share of common stock on the Offering Date; or (b) the Fair Market Value, as defined in the Plan, of a share of common stock on the Exercise Date.</p> <p>5. Your rights upon termination of employment</p> <p>Pursuant to the Stock Option Act, the treatment of your Plan rights upon termination of employment will be determined under Sections 4 and 5 of the Stock Option Act unless the terms contained in the Plan and the subscription materials are more favorable to you than Sections 4 and 5 of the Stock Option Act. If the terms contained in the Plan and the subscription materials are more favorable to you, then such terms will govern the treatment of your Plan rights upon termination of employment.</p> <p>6. Financial aspects of participating in the Plan</p> <p>Aside from the payroll deductions which will start after you enroll in the Plan, the Plan offering has no immediate financial consequences for you. The value of the shares purchased for you under the Plan are not taken into account when calculating holiday allowances, pension contributions or other statutory consideration calculated on the basis of salary.</p> <p>Shares of stock are financial instruments and investing in stock will always have financial risk. The possibility of profit at the time you sell your shares will not only be dependent on the Company's financial development, but also on the general development of the stock market, among other things. In addition, after you purchase shares, the shares could decrease in value even below the Purchase Price.</p> <p>Stock Plan Services Infina Corporation Sunnyvale, California</p>	<p>Købskursen pr. aktie betyder et beløb svarende til 85% af det laveste af de to følgende beløb: (a) Markedskursen (som defineret i Plan) på en ordinær aktie på Tilmeldingsdato eller (b) Markedskursen (som defineret i Plan) på en ordinær aktie på Udnyttelsesdatoen.</p> <p>5. Din retsstilling i forbindelse med fratreden</p> <p>I henhold til Aktieoptionsloven vil dine Plan-rettighe-der i tilfælde af dit ansættelsesforholds ophør blive behandlet i overensstemmelse med Aktieoptionslovens §§ 4 og 5, medmindre vilkårene i Planen og tegningsmaterialet er mere favorable for dig end Aktieoptionslovens §§ 4 og 5. Såfremt vilkårene i Plan og tegningsmaterialet er mere favorable for dig, vil det være disse vilkår, der er gældende for, hvordan dine Plan-rettighe-der behandles i forbindelse med dit ansættelsesforholds ophør.</p> <p>6. Økonomiske aspekter ved at deltage i Plan</p> <p>Bortset fra de fradrag i din løn, der vil blive påbegyndt, når du har tilmeldt dig Plan, har Plan-udbuddet ikke nogen umiddelbare økonomiske konsekvenser for dig. Værdien af de aktier, der købes til dig i henhold til Plan, indgår ikke i beregningen af feriepenge, pensionsbidrag eller øvrige vederlagsafhængige lovpligtige ydelser.</p> <p>Aktier er finansielle instrumenter, og investering i aktier vil altid være forbundet med en økonomisk risiko. Muligheden for en gevinst på det tidspunkt, hvor du sælger dine aktier, afhænger ikke kun af Selskabets økonomiske udvikling, men også bl.a. af den generelle udvikling på aktiemarkedet. Derudover kan aktiernes værdi efter købstidspunktet falde til en værdi, der ligger under Købsprisen.</p> <p>Aktieordningsadministrationen Infina Corporation Sunnyvale, Californien</p>
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## FRANCE

### Terms and Conditions

**Payroll Deduction Authorization.** By enrolling in the Plan and making my online enrollment elections, I hereby authorize payroll deductions from each paycheck in the amount of the elected percentage of my Compensation on each payday (from 0 to 15%) during the Offering Period in accordance with the Plan. (Please note that no fractional percentages are permitted.)

*Autorisation de Participation au Plan. En participant au Plan et en indiquant en ligne mes choix de participation, j'autorise les prélèvements sur mes salaires sur chaque bulletin de paie, d'un montant correspondant au pourcentage choisi sur la base de mes Salaires, à chaque date de paiement de ces salaires (de 0 à 15%) durant la Période d'Offre, ce, conformément aux dispositions du Plan. (Veuillez noter que les fractions de pourcentage ne sont pas autorisées)*

**Language Consent.** By enrolling in the Plan and making my online enrollment elections, I confirm having read and understood the documents relating to the right to purchase Common Stock (the Plan, the Subscription Agreement and this Appendix) which were provided to me in the English language. I accept the terms of those documents accordingly.

*Consentement relatif à la Langue utilisée. En participant au Plan et en indiquant en ligne mes choix de participation, je confirme avoir lu et compris les documents relatifs à cette attribution de droits d'achat des Actions de la Société (le Plan, le Formulaire de Participation et la présente Annexe) qui m'ont été communiqués en langue anglaise. J'accepte les termes de ces documents en connaissance de cause.*

### Notifications

**Foreign Asset/Account Reporting Information.** French residents may hold shares of Common Stock or maintain foreign bank accounts outside France, provided that they declare all foreign accounts, whether open, current or closed, on their annual income tax returns.

## GERMANY

### Notifications

**Exchange Control Information.** Cross-border payments in excess of €12,500 must be reported monthly to the German Federal Bank. In case of payments in connection with securities (including proceeds realized upon the sale of shares of Common Stock or from the receipt of any dividends paid on such shares), the report must be made by the 5th day of the month following the month in which the payment was received. The report must be filed electronically. The form of report ("Allgemeine Meldeportal Statistik") can be accessed via the German Federal Bank's website ([www.bundesbank.de](http://www.bundesbank.de)) and is available in both German and English.

## HONG KONG

### Terms and Conditions

**Nature of the Plan.** I understand and agree that the Plan is a voluntary plan and that any payroll deductions I elect to make under the Plan are made by me on an entirely voluntary basis. I understand that I may freely withdraw from participation in the Plan and receive a full refund of all voluntary payroll deductions I have made under the Plan that have not been applied towards the purchase of shares of Common Stock.

### **Notifications**

**Securities Law Information.** WARNING: *The option to purchase shares of Common Stock under the Plan and any shares of Common Stock issued upon the Exercise Date do not constitute a public offering of securities under Hong Kong law and are available only to Eligible Employees of the Company and its Designated Subsidiaries. The Subscription Agreement, including this Appendix, the Plan and any other incidental communication materials distributed in connection with the Plan (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, (ii) have not been reviewed by any regulatory authority in Hong Kong, and (iii) are intended only for the personal use of Eligible Employees of the Company and its Designated Subsidiaries, and may not be distributed to any other person.*

## **INDIA**

### **Notifications**

**Exchange Control Information.** I understand that I must repatriate any proceeds from the sale of Company Stock acquired under the Plan and any dividends received in relation to the shares of Common Stock to India and convert the proceeds into local currency within a certain period of time after receipt. I further understand that I must obtain a foreign inward remittance certificate ("FIRC") from the bank where I deposit the foreign currency and 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.

**Foreign Asset/Account Reporting Information.** Indian residents are required to declare the following items in their annual tax return: (i) any foreign assets held by them (including shares of Common Stock acquired under the Plan), and (ii) any foreign bank accounts for which they have signing authority. It is my responsibility to comply with applicable foreign asset tax laws in India and that I should consult with my personal tax advisor to ensure that I am properly reporting my foreign assets and bank accounts.

## **ITALY**

### **Terms and Conditions**

**Data Privacy.** This provision replaces the Paragraph 10 of the Subscription Agreement:

*I understand that the Company and the Employer are the privacy representative ("Privacy Representative") of the Company in Italy and may hold certain personal information about me, including, but not limited to, my name, email address, home address, telephone number, date of birth, social insurance, passport or other identification number, salary, nationality, job title, any shares of Common Stock or directorships held in the Company or any Subsidiary, details of all options or any other entitlement to Common Stock awarded, canceled, exercised, vested, unvested or outstanding in my 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 European Community legislation. I 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 my denial to provide Personal Data would make it impossible for the Company to perform its contractual obligations and may affect my ability to participate in the Plan. I 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 the Company's broker, 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 Data are communicated will remain available upon request from the Employer. Furthermore, Personal Data may be transferred to banks, other financial institutions or brokers involved in the management and administration of the Plan. I 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. I further understand that the Company and any Subsidiaries will transfer Personal Data amongst themselves as necessary for the purpose of implementation, administration and management of my participation in the Plan, and that the Company and any Subsidiaries 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 other third party with whom I may elect to deposit any Common 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 my participation in the Plan. I understand that these recipients may be acting as "Controllers," "Processors" or persons in charge of processing, as the case may be, as defined under Legislative Decree no. 196/2003 and the 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.*

*I 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 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 laws and regulations, does not require my consent thereto as the processing is necessary to performance of law and contractual obligations related to implementation, administration and management of the Plan. I understand that, pursuant to section 7 of the Legislative Decree no. 196/2003, I 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, blocked or stop, for legitimate reason, the Personal Data processing. To exercise privacy rights, I understand that I should contact the Employer. Furthermore, I am 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 my human resources department.*

**Plan Document Acknowledgement.** I acknowledge and agree that I have read and specifically and expressly approve of the following Paragraphs of the Subscription Agreement; Paragraphs 1, 2, 3, 4, 5, 6, 7, 8, 9, 12, 13, 14, 15, 16, 17, 19, 20, 21, 22, 23 and the Data Privacy section of this Appendix.

#### **Notifications**

**Foreign Asset/Account Reporting Information.** Italian residents who, at any time during the fiscal year, hold foreign financial assets (such as cash, shares of Common Stock) which may generate income taxable in Italy are required to report such investments or assets on their annual tax returns (Form UNICO, Schedule RW) or on a special form if no tax return is due. I understand that the same reporting duties apply to Italian residents who are beneficial owners of the foreign financial assets pursuant to Italian money laundering provisions, even if they do not directly hold the foreign asset abroad. I understand that I should consult a personal tax or legal advisor to ensure compliance with applicable reporting obligations.

**Foreign Asset Tax Information.** The value of financial assets held outside of Italy by individuals residents of Italy is subject to a foreign asset tax, at an annual rate of 2 per thousand (0.2%). The taxable amount will be the fair market value of the financial assets (including shares of Common Stock acquired under the Plan) assessed at the end of the calendar year. No tax payment duties arise if the amount of the foreign financial assets tax calculated on all financial assets held abroad does not exceed €12.

## JAPAN

### **Notifications**

**Exchange Control Information.** Japanese residents acquiring shares of Common Stock valued at more than ¥100,000,000 in a single transaction must file a Securities Acquisition Report with the Ministry of Finance through the Bank of Japan within 20 days of the acquisition.

**Foreign Asset/Account Reporting Information.** Japanese residents holding assets outside Japan (*e.g.*, shares of Common Stock purchased under the Plan) with a value exceeding ¥50,000,000 (as of December 31 each year) are required to comply with annual tax reporting obligations with respect to such assets. I understand that I should consult with a personal tax or legal advisor in Japan to ensure that I am properly complying with these obligations.

## MEXICO

### **Terms and Conditions**

**Acknowledgement of the Subscription Agreement.** These provisions supplement the acknowledgement contained in Paragraph 8 of the Subscription Agreement:

By enrolling and participating in the Plan, I acknowledge that I have received a copy of the Plan and the Subscription Agreement, which I have reviewed. I further acknowledge that I accept all the provisions of the Plan and the Subscription Agreement. I also acknowledge that I have read and specifically and expressly approve the terms and conditions set forth in Paragraph 8 of the Subscription Agreement, which clearly provide as follows:

- (1) My participation in the Plan does not constitute an acquired right;
- (2) The Plan and my participation in it are offered by the Company on a wholly discretionary basis;
- (3) My participation in the Plan is voluntary; and
- (4) The Company is not responsible for any decrease in the value of any shares of Common Stock acquired under the Plan.

**Labor Law Policy and Acknowledgement.** By enrolling and participating in the Plan, I acknowledge that Infinera Corporation, with registered offices at 140 Caspian Court, Sunnyvale, CA 94089 USA, is solely responsible for the administration of the Plan. I further acknowledge that my participation in the Plan, the grant of the option to purchase shares of Common Stock and any acquisition of shares of Common Stock under the Plan do not constitute a service agreement and does not guarantee me the right to continue my employment with the Company or the Employer, because I am participating in the Plan on a wholly commercial basis and my sole Employer is Infinera Mexico, S. de R.L. de C.V. ("Infinera Mexico"), located at Presidente Masarik 111, Piso 1, Col. Chapultepec Morales, 11560, Ciudad de México. Based on the foregoing, I expressly acknowledge that the Plan and the benefits that I may derive from participation in the Plan do not establish any rights between me and Infinera-

Mexico, and do not form part of my employment or service agreement with the Company or Infinera-Mexico, and any modification of the Plan or its termination shall not constitute a change or impairment of the terms and conditions of my employment or service agreement, if any.

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

Finally, I hereby declare that I do not reserve to myself any action or right to bring any claim against the Company, the Employer or any other Subsidiary or affiliate for any compensation or damages regarding any provision of the Plan or the benefits derived under the Plan, and that I therefore grant a full and broad release to the Company, the Employer, any other Subsidiary, affiliate, branch, representation office, shareholder, officer, agent and legal representative, with respect to any claim that may arise.

Reconocimientos sobre el Convenio de Suscripción. Esta disposición suplementa la Sección 8 del Convenio de Suscripción:

*Al inscribirse y participar en el Plan, reconozco que he recibido una copia del Plan y del Convenio de Suscripción, mismos que he sido revisado. Reconozco y acepto todas las disposiciones del Plan y del Convenio de Suscripción. También reconozco que he leído y especifica y expresamente apruebo los términos y condiciones establecidos en la Sección 8 del Convenio de Suscripción, que claramente establece lo siguiente:*

- (1) *Mi participación en el Plan no constituye un derecho adquirido;*
- (2) *El Plan y mi participación en el Plan se ofrecen por la Compañía de manera totalmente discrecional;*
- (3) *Mi participación en el Plan es voluntaria; y*
- (4) *La Compañía no es responsable por cualquier disminución en el valor de las Acciones adquiridas bajo el Plan.*

Legislación Laboral y Reconocimiento. *Al inscribirme y participar en el Plan, reconozco que Infinera, Inc., con domicilio registrado ubicado en 140 Caspian Court, Sunnyvale, CA 94089 USA, es la única responsable por la administración del Plan. Además reconozco que mi participación en el Plan, el otorgamiento del Premio y cualquier adquisición de Acciones de conformidad con el Plan no constituyen un contrato de Servicios y no me garantizan el derecho de continuar prestando mis Servicios a la Compañía, o al receptor del servicio, ya que reconozco estar participando en el Plan en sobre una base exclusivamente comercial y mi único patrón es Infinera Mexico, S. de R.L. de C.V. ("Infinera Mexico"), con domicilio ubicado en Presidente Masarik 111, Piso 1, Col. Chapultepec Morales, 11560, Ciudad de México. Con base en lo anterior, expresamente reconozco que el Plan y los beneficios que le deriven de la participación en el Plan no establecen derecho alguno entre el suscrito y la Compañía y no forman parte de la relación laboral o del contrato de Servicios celebrado con la Compañía o el Receptor del Servicio, y cualquier modificación del Plan o su terminación no constituirá un cambio o deterioro de los términos y condiciones del contrato laboral o de Servicios del suscrito.*

*Además, entiendo que mi participación en el Plan es resultado de una decisión unilateral y discrecional de la Compañía y, por lo tanto, la Compañía se reserva el derecho absoluto de modificar y/o discontinuar mi participación del Receptor en el Plan en cualquier momento, sin responsabilidad alguna hacia mi.*

*Finalmente, en este acto manifiesto que no me reservo ninguna acción o derecho para interponer una demanda o reclamación en contra de la Compañía o el receptor del Servicio o cualquier otra subsidiaria, por*

*cualquier compensación o daño o perjuicio en relación con cualquier disposición del Plan o los beneficios derivados del Plan y, en consecuencia, otorgo un amplio y total finiquito a la Compañía, el receptor del Servicio, cualesquier Subsidiarias, afiliadas, sucursales, oficinas de representación, accionistas, directores, funcionarios, agentes y representantes con respecto a cualquier demanda o reclamación que pudiera surgir.*

#### THE NETHERLANDS

##### Notifications

**Attention! This investment falls outside AFM supervision.  
No prospectus required for this activity.**



#### POLAND

##### Terms and Conditions

Authorization for Payroll Deductions. I understand that as a condition of my participation in the Plan, I will be required to execute the attached Consent for Deduction form. I understand that I must print out the form, sign and date the form in the applicable places, scan the executed form and email it to the Company at the following address: [stockadmin@infinera.com](mailto:stockadmin@infinera.com). I understand that I will not be able to participate in the Plan until the Company receives my executed form.

##### Notifications

Exchange Control Information. Polish residents holding foreign securities (including shares of Common Stock) and maintaining accounts abroad must report information to the National Bank of Poland on transactions and balances of the securities and cash deposited in such accounts if the value of such transactions or balances exceeds PLN7,000,000. If required, the reports must be filed on a quarterly basis on special forms available on the website of the National Bank of Poland. In addition, transfers of funds into and out of Poland in excess of €15,000 must be made via a bank account held at a bank in Poland. I understand that I am responsible for complying with all applicable exchange control regulations.

(Consent for Deduction form on next page)

**CONSENT FOR DEDUCTION**

I, the undersigned, in order to participate in the Infinera Corporation Employee Stock Purchase Plan ("Plan"), authorize my employer Transmode Systems AB to withhold payroll deductions in the amount of \_\_\_% of my Compensation, or such other percentage as subsequently selected by me under the Plan. I understand that this amount must not be less than 1% and not more than 15% of my Compensation for any Offering Period with the reservation that the deductions are made in accordance with the applicable provisions of the Polish labor law.

All the terms written in capital letters shall have the meanings given to them in the Plan.

In case of any discrepancies between the Polish language version of this document and its English language version, the Polish language version shall prevail.

\_\_\_\_\_  
Employee

**ZGODA NA POTRACENIE**

Ja niżej podpisany, w celu uczestnictwa w Infinera Corporation Employee Stock Purchase Plan ("Plan"), upoważniam mojego pracodawcę Transmode Systems AB do potrącenia kwoty w wysokości \_\_\_% z mojego Wynagrodzenia lub inny procent wskazany przeze mnie w umowie przystąpienia do Planu. Przyjmuję do wiadomości, iż ta kwota nie może być mniejsza niż 1% i większa niż 15% mojego Wynagrodzenia w każdym Okresie Oferty z zastrzeżeniem, że potrącenia będą dokonywane zgodnie z obowiązującymi przepisami polskiego prawa pracy.

Wszystkie terminy pisane wielkimi literami mają znaczenie przypisane im w ramach Planu.

W przypadku jakichkolwiek rozbieżności pomiędzy polską a angielską wersją językową niniejszego dokumentu, wersja polska ma charakter wiążący.

\_\_\_\_\_  
Date

## SINGAPORE

### Notifications

**Securities Law Information.** I understand that the option to purchase shares of Common Stock is being granted to me pursuant to the “Qualifying Person” exemption under section 273(1)(f) of the Singapore Securities and Futures Act (Chapter 289, 2006 Ed.) (“SFA”). The Plan has not been lodged or registered as a prospectus with the Monetary Authority of Singapore. I understand that such option to purchase shares of Common Stock is subject to section 257 of the SFA and I will not be able to make any subsequent sale in Singapore, or any offer of such subsequent sale of the Common Stock unless such sale or offer in Singapore is made (i) after six months from the date of acquisition, (ii) pursuant to the exemptions under Part XIII Division (1) Subdivision (4) (other than section 280) of the SFA, or (iii) pursuant to, and in accordance with the condition of, any other applicable provisions of the SFA.

**Chief Executive Officer and Director Notification Obligation.** I understand that if I am a chief executive officer, director, associate director or shadow director of a Singaporean Subsidiary, I am subject to certain notification requirements under the Singapore Companies Act. Among these requirements is an obligation to notify the Singaporean Subsidiary in writing when I receive an interest (e.g., option to purchase Common Stock, Common Stock) in the Company or any Subsidiary. In addition, I understand that I must notify the Singaporean Subsidiary when I sell shares of Common Stock (including when I sell shares of Common Stock acquired under the Plan). These notifications must be made within two days of acquiring or disposing of any interest in the Company or any Subsidiary. In addition, I understand that a notification must be made of my interests in the Company or any Subsidiary within two days of becoming a chief executive officer or director.

## SPAIN

### Terms and Conditions

**Nature of Grant.** This provision supplements Paragraph 8 of the Subscription Agreement:

In accepting the option to purchase shares of Common Stock, I consent to participation in the Plan and acknowledge that I have received a copy of the Plan.

I acknowledge that my participation in the Plan is expressly conditioned on my continued and active rendering of service, such that if my employment terminates for any reason whatsoever, my participation in the Plan will cease immediately, effective on the date of my termination of employment. In particular, I understand and agree that any rights to purchase shares of Common Stock will be forfeited as of the date that I am no longer actively employed and without entitlement to the underlying shares of Common Stock or to any amount of indemnification in the event of a termination of my employment by reason of, but not limited to, death, disability, resignation, retirement, disciplinary dismissal adjudged to be with cause, disciplinary 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. I acknowledge that I have read and specifically accept the conditions referred to in Section 11 of the Plan and Paragraph 8(l) of the Subscription Agreement.

Further, I understand that the Company has unilaterally, gratuitously and discretionally decided to options to purchase shares of Common Stock under the Plan to individuals who may be employees of the Company or certain of its Designated Subsidiaries throughout the world. The decision is a limited decision that is entered into

upon the express assumption and condition that any grant will not bind the Company or any of its Subsidiaries. Consequently, I understand that the right to purchase shares of Common Stock under the Plan is granted on the assumption and condition that it shall not become a part of any employment contract (either with the Company or any of its Subsidiaries) and shall not be considered a mandatory benefit, salary for any purposes (including severance compensation) or any other right whatsoever. In addition, I understand that this grant would not be made to me but for the assumptions and conditions referred to above; thus, I 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 any grant of the option to purchase shares of Common Stock under the Plan shall be null and void.

#### **Notifications**

**Securities Law Information.** No “offer of securities to the public,” as defined under Spanish law, has taken place or will take place in the Spanish territory. I further understand that the Subscription Agreement (including this Appendix) has not been nor will it be registered with the *Comisión Nacional del Mercado de Valores*, and it does not constitute a public offering prospectus.

**Exchange Control Information.** The acquisition of Common Stock under the Plan must be declared for statistical purposes to the *Spanish Dirección General de Comercio e Inversiones* (the “DGCI”), the Bureau for Commerce and Investments, which is a department of the Ministry of Economy and Competitiveness. Generally, the declaration must be filed in January for shares owned as of December 31 of each year; however, if the value of the shares acquired or the amount of the sale proceeds exceeds €1,502,530, the declaration must be filed within one month of the acquisition or sale, as applicable. I understand that I should consult with my personal advisor to determine any obligations in this respect.

When receiving foreign currency payments exceeding €50,000 derived from the ownership of shares of Common Stock (i.e., dividends or proceeds from the sale of the shares of Common Stock), I must inform the financial institution receiving the payment of the basis upon which such payment is made. I understand that I will need to provide the following information: (i) my name, address, and fiscal identification number; (ii) the name and corporate domicile of the Company; (iii) the amount of the payment and the currency used; (iv) the country of origin; (v) the reasons for the payment; and (vi) further information that may be required.

In addition, I understand that I am required to electronically declare to the Bank of Spain any securities accounts (including brokerage accounts held abroad), as well as the securities (including shares of Common Stock acquired under the Plan) held in such accounts if the value of the transactions for all such accounts during the prior tax year or the balances in such accounts as of December 31 of the prior tax year exceeds €1,000,000.

**Foreign Asset/Account Reporting Information.** I understand that I may be subject to certain tax reporting requirements with respect to assets or rights that I hold outside Spain, including bank accounts, securities and real estate if the aggregate value for each particular category of assets exceeds €50,000 as of December 31 each year. Shares of Common Stock acquired under the Plan or other equity programs offered by the Company constitute securities for purposes of this requirement, but unvested awards (e.g., options, etc.) are not subject to this reporting requirement. If applicable, I understand that I must report my foreign assets on Form 720 by no later than March 31 following the end of the relevant year. After the rights and/or assets are initially reported, the reporting obligation will only apply if the value of previously-reported rights or assets increases by more than €20,000 as of each subsequent December 31. I understand that I should consult with my personal advisor to determine any obligations in this respect.

#### **SWEDEN**

There are no country-specific provisions.

## SWITZERLAND

### Notifications

Securities Law Information. The option to purchase shares of Common Stock is not intended to be publicly offered in or from Switzerland. Neither this document nor any other materials relating to the option (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, and (iii) has been or will be filed with, approved or supervised by, any Swiss regulatory authority (in particular, the Swiss Financial Supervisory Authority (FINMA)).

## UNITED KINGDOM

### Terms and Conditions

Withholding of Taxes. This provision supplements Paragraph 7 of the Subscription Agreement:

Without limitation to Paragraph 7 of the Subscription Agreement, I hereby agree that I am 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, as applicable, or by Her Majesty's Revenue & Customs ("HMRC") (or any other tax authority or any other relevant authority). I also hereby agree to indemnify and keep indemnified the Company and the Employer, as applicable, against any Tax-Related Items that they are required to pay or withhold or have paid or will pay on my behalf to HMRC (or any other tax authority or any other relevant authority).

Notwithstanding the foregoing, if I am a director or executive officer of the Company (within the meaning of Paragraph 13(k) of the U.S. Securities and Exchange Act of 1934, as amended), the terms of the immediately foregoing provision will not apply. In this case, the amount of income tax not collected within ninety (90) days of the end of the U.K. tax year in which an event giving rise to the Tax-Related Items occurs may constitute a benefit to me on which additional income tax and National Insurance contributions may be payable. I understand and agree that I will be responsible for reporting and paying any income tax due on this additional benefit directly to the HMRC under the self-assessment regime and for reimbursing the Company or the Employer (as appropriate) for the value of any National Insurance contributions due on this additional benefit which the Company or the Employer may recover from me by any of the means referred to in Paragraph 7 of the Subscription Agreement.

## UNITED STATES OF AMERICA

### Terms and Conditions

The following provisions supplement Paragraph 7 of the Subscription Agreement:

I understand that if I dispose of any shares of Common Stock received by me pursuant to the Plan within two (2) years after the Offering Date (the first day of the Offering Period during which I purchased such shares) or one (1) year after the Exercise Date, I will be treated for U.S. federal income tax purposes as having received ordinary income at the time of such disposition in an amount equal to the excess of the fair market value of the shares at the time such shares were purchased by me over the price which I paid for the shares. I hereby agree to notify the Company in writing within thirty (30) days after the date of any disposition of my shares and I will make adequate provision for U.S. Federal, state or other tax withholding obligations, if any, which arise upon the disposition of the Common Stock. The Company may, but will not be obligated to, withhold from my compensation the amount necessary to meet any applicable withholding obligation including any withholding necessary to make available to the Company any tax deductions or benefits attributable to sale or early disposition of Common Stock by me. If I dispose of such shares of Common Stock at any time after the expiration of the two (2)-year and one

(1)-year holding periods, I understand that I will be treated for U.S. federal income tax purposes as having received income only at the time of such disposition, and that such income will be taxed as ordinary income only to the extent of an amount equal to the lesser of (a) the excess of the fair market value of the shares of Common Stock at the time of such disposition over the Purchase Price which I paid for the shares of Common Stock, or (b) 15% of the fair market value of the shares of Common Stock on the first day of the Offering Period. The remainder of the gain, if any, recognized on such disposition will be taxed as capital gain.

## **ADDRESSES**

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### **Infinera**

#### **Infinera Corporation**

140 Caspian Court  
Sunnyvale, CA 94089  
USA

Telephone number: +1 (408) 572-5200

### **Legal advisor**

#### **Mannheimer Swartling Advokatbyrå**

PO Box 1711  
SE-111 87 Stockholm  
Sweden

