

CHARTER OF THE COMPENSATION COMMITTEE OF THE BOARD OF DIRECTORS

I. Purpose

This Charter specifies the scope of responsibilities of the Compensation Committee (the “Committee”) of the Board of Directors (the “Board”) of Lumentum Holdings Inc. (the “Company”) and the manner in which those responsibilities shall be performed, including its structure, processes and membership requirements.

The primary purposes of the Committee are to (a) discharge the Board’s responsibilities relating to compensation and benefits of the Company’s executive officers, (b) to provide general oversight of the Company’s compensation, equity and employee benefit plans and programs, (c) to ensure that the Company adopts and maintains responsible and competitive compensation programs consistent with the acquisition and retention of talent and the strategy and imperatives of the Company and the long-term interests of the stockholders, and (d) to produce the report of the Committee required for inclusion in the Company’s proxy statement in accordance with applicable rules and regulations.

II. Membership and Organization

The members of the Committee (the “Members” or, individually, each a “Member”) shall be appointed by the Board and shall serve at the discretion of the Board. The Committee shall consist of at least three (3) Members, each of which shall be a member of the Board. The Board shall designate the Committee’s Chairperson, and all Members shall serve at the discretion of the Board. Each Member (i) must meet the criteria for independence as determined under the listing rules of the Nasdaq Stock Market, LLC. (“Nasdaq”) and applicable law for members of a compensation committee and, (iii) be a “non-employee director” as defined in Section 16 of the Securities and Exchange Act of 1934 (the “Act”).

The Committee shall have the authority, at its sole discretion, to retain, engage and obtain advice or assistance from consultants, legal counsel, accounting or other advisors as appropriate to perform its duties hereunder and to determine the terms, costs and fees for such engagements. The fees and costs of any consultant or advisor engaged by the Committee to assist in performance of its duties hereunder shall be borne by the Company. The Committee shall be directly responsible for the appointment, compensation and oversight of the work performed by such consultants and advisors.

Prior to retaining an advisor or consultant, the Committee shall consider the advisor’s or consultant’s independence, taking into consideration the factors listed below along with any other factors the Committee deems relevant. In determining the independence of an advisor or consultant, the Committee shall consider:

1. the provision of other services to the Company by the person that employs the compensation consultant, legal counsel or other adviser;
2. the amount of fees received from the Company by the person that employs the compensation consultant, legal counsel or other adviser, as a percentage of the total revenue of the person that employs the compensation consultant, legal counsel or other adviser;
3. the policies and procedures of the person that employs the compensation consultant, legal counsel or other adviser that are designed to prevent conflicts of interest;
4. any business or personal relationship of the compensation consultant, legal counsel or other adviser with a Member of the Committee;

5. any stock of the Company owned by the compensation consultant, legal counsel or other adviser; and
6. any business or personal relationship of the compensation consultant, legal counsel, other adviser or the person employing the adviser with an executive officer of the Company.

The Committee shall not be required to consider the above-listed factors when receiving advice from in-house legal counsel or with respect to any advisor or consultant who is consulting on a broad-based plan that does not discriminate in scope, terms, or operation, in favor of the Company's executive officers or directors, and that is available generally to all salaried employees and/or is providing information that is not customized to the Company or that is customized based on parameters not developed by the advisor or consultant and about which the advisor or consultant does not provide advice.

III. Meetings

The Committee shall meet as often as it deems appropriate, but not less frequently than four times each fiscal year, with further actions to be taken by unanimous written consent when deemed necessary or desirable by the Committee or its chairperson. A majority of the members shall represent a quorum of the Committee, and any action approved by at least a majority of the members present shall represent the valid action of the Committee.

As necessary or desirable, the Committee may invite any director, officer or employee of the Company, or other persons whose advice and counsel are sought by the Committee, to be present at meetings of the Committee, consistent with the maintenance of confidentiality of compensation discussions. The Chief Executive Officer ("CEO") should not attend that portion of any meeting where the CEO's compensation is deliberated or approved for recommendation to the Board.

The Committee shall maintain written minutes of its meetings, which minutes will be maintained with the books and records of the Company.

IV. Authority and Responsibilities

The Committee shall:

1. Oversee and provide guidance with respect to, and review and approve as appropriate, the Company's overall compensation policies, structure and programs (including with respect to wages, salaries, bonuses, equity plans, employee benefit plans and other benefits) for its employees and officers.
2. Annually review and, if appropriate, approve the compensation policies applicable to the Company's executive officers (including named executive officers, as such term is defined in Item 402(a)(3) or Item 402(m)(2), as applicable, of Regulation S-K under the Securities Act of 1933, as amended, and the instructions thereto), including the relationship of the Company's achievement of its goals and objectives to executive compensation.
3. Annually review and recommend to the Board for approval corporate goals and objectives relevant to the compensation of the CEO, and at least annually evaluate the performance of the CEO in light of these goals and objectives.
4. Recommend to the Board all compensation of the CEO, including salary, incentive-based and equity-based compensation, benefits and perquisites.

5. Review and approve the compensation, including salaries, incentive-based and equity-based compensation, benefits and perquisites of all other executive officers of the Company.
6. Review annual performance goals and objectives for the other executive officers as established by the CEO. The CEO shall report to the Committee, on at least an annual basis, the performance of the other executive officers of the Company in relation to such goals and objectives.
7. Periodically review and advise the Board concerning regional and industry-wide compensation practices and trends in order to assess the adequacy and competitiveness of the Company's executive and other compensation programs relative to comparable companies in the Company's industries.
8. Review matters related to succession planning and executive development for executive officers.
9. Review, approve and administer the Company's pension and profit sharing plans, bonus plans, deferred compensation plans and other similar programs.
10. Administer the Company's equity incentive, stock option and stock purchase plans, including
 - Authorizing and approving the granting of stock options and other equity incentive awards to eligible individuals in the Company's service (other than the CEO) under the Company's equity incentive plans, consistent with the terms and conditions of such plans; provided that (a) the full Board shall also have the authority to authorize and approve such actions, and (b) the full Board shall have the sole authority to approve equity incentive awards to the directors and the CEO.
 - Amending equity-based or equity-linked awards granted thereunder.
 - Adopting, amending and terminating such plans, including reserving shares for issuance thereunder, subject to obtaining any required stockholder approval.
11. Review and approve all employment, severance, or change-in-control agreements, special supplemental benefits, or provisions of same, applicable to executive officers (other than the CEO), provided, that, specific approval shall not be required for benefits, programs and policies applicable to substantially all salaried employees or other broad-based health and welfare benefits.
12. Periodically review the compensation of the Board members, and when appropriate, recommend modifications thereto for approval by the Board.
13. Review and discuss with management the Company's Compensation Discussion and Analysis ("CD&A") and related disclosures required by the rules and regulations of the SEC, to the extent required of the Company. The Committee will also review and recommend the final CD&A to the Board for inclusion in the Company's annual report on Form 10-K or proxy statement, to the extent required of the Company.

14. Prepare the report of the Committee required by the rules and regulations of the SEC to be included with the Company's annual report on Form 10-K or proxy statement.
15. Oversee the Company's submissions to stockholders on executive compensation matters, and, in conjunction with the Nominating and Corporate Governance Committee of the Board (or its designees).
16. Oversee engagement with proxy advisory firms and other stockholder groups on executive compensation matters.
17. If applicable, review and recommend to the Board for approval the frequency with which the Company will conduct a Say-on-Pay Vote, taking into account the results of the most recent stockholder advisory vote on frequency of Say-on-Pay Votes required by Section 14A of the Exchange Act, and review and approve the proposals regarding the Say on Pay Vote and the frequency of the Say on Pay Vote to be included in the Company's proxy statement.
18. Review and make determinations regarding stockholder proposals regarding compensation. Review and discuss annually with management the risks arising from the Company's compensation philosophy and practices applicable to all employees to determine whether they encourage excessive risk-taking and to evaluate compensation policies and practices that could mitigate such risks.
19. Periodically review established stock ownership guidelines applicable to members of the Board and Executive Officers; monitor compliance as applicable.
20. Perform such other functions and have such other powers as may be necessary or convenient to the efficient discharge of the foregoing.
21. Review and reassess the adequacy of this Charter annually and recommend to the Board any changes the Committee deems appropriate.
22. Review and evaluate the Committee's performance at least annually against the requirements of this Charter.

V. Subcommittees

The Committee may form subcommittees for any purpose that the Committee deems appropriate and may delegate to such subcommittees such power and authority as the Committee deems appropriate. Specifically, at its discretion, the Committee shall have the authority to form and designate to a subcommittee or other persons, the authority to grant equity awards to non-officer employees of the Company within guidelines established by the Committee from time to time. If designated, any subcommittee or persons to whom authority has been delegated will establish its own schedule and maintain written minutes of its meetings, which minutes will be filed with the minutes of the meetings of the Board. The Committee will not delegate to a subcommittee or other persons any power or authority required by law, regulation or listing standard to be exercised by the Committee as a whole.

VI. Reporting

The Committee shall report its discussions to the Board by distributing the minutes of its meetings and where appropriate, by oral report at the subsequent Board meeting.

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