



## **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 JDS Uniphase Corporation (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 and directors, (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 for its employees, officers and directors 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 an annual report on executive compensation for inclusion in the Company’s proxy statement in accordance with applicable rules and regulations.

### **II. Membership and Organization**

The Committee shall consist of not less than three members, one of whom shall be designated by the Board as chairperson. Each member shall be determined by the Board to be “independent” within the meaning of applicable stock exchange listing standards. Additionally, each member shall be a “non-employee director” as defined in Rule 16-b-3 under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and an “outside director” for purposes of Section 162(m) of the Internal Revenue Code.

The members shall be appointed by the Board and shall serve until their successors are duly appointed and qualified or their earlier resignation or removal. Any member of the Committee may be replaced by the Board.

The Committee shall have the authority, 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 may form and delegate to a subcommittee when deemed appropriate or necessary.

### **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 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) 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 of 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. Oversee and recommend from time to time for adoption by the Board share option plans, stock purchase plans, share appreciation rights plans, other equity-based incentive plans, pension and profit sharing plans, bonus plans, deferred compensation plans and other similar programs.
10. Oversee the implementation and administration of the Company's equity incentive, stock option and stock purchase plans, as in effect and as adopted from time to time by the Board; provided that the full Board shall retain the authority to interpret such plans.
11. Authorize and approve 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. The Committee may delegate to one or more corporate officers designated by the Committee the authority to make awards to eligible individuals (other than such corporate officer(s) and the CEO) who are not executive officers, provided that the Committee shall have fixed the price or a formula for determining the price and vesting schedule for such awards, approved the material terms of such awards, and determined the appropriate number of shares and/or units or the basis for determining such number of shares and/or units by position, compensation level or category of personnel. Any such corporate officer(s) to whom such authority is delegated shall regularly report to the Committee the awards so made. Any such delegation may be revoked at any time by the Committee.
12. 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).

13. Periodically review the compensation of the Board members, and when appropriate, recommend modifications thereto for approval by the Board.
14. Prepare a Committee report on executive officer compensation for inclusion in the Company's proxy statement in accordance with applicable rules and regulations.
15. Perform such other functions and have such other powers as may be necessary or convenient to the efficient discharge of the foregoing.
16. Report to the Board regarding the foregoing from time to time, or whenever it shall be called upon to do so.

#### **V. Performance Evaluation**

The Committee shall annually review and assess the adequacy of this Charter and recommend any proposed changes to the Board for approval. The Committee shall also perform an annual evaluation of its own performance, which shall compare the performance of the Committee with the requirements of this charter.