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SEC Filings

**8-K**

**LUMENTUM HOLDINGS INC. filed this Form 8-K on 08/06/2015**

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**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

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**Form 8-K**

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**CURRENT REPORT**

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

Date of report (Date of earliest event reported): July 31, 2015

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# Lumentum Holdings Inc.

(Exact name of Registrant as specified in its charter)

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**Delaware**

(State or Other Jurisdiction  
of Incorporation)

**001-36861**

(Commission  
File Number)

**47-3108385**

(IRS Employer  
Identification Number)

**400 North McCarthy Boulevard, Milpitas, CA**  
(Address of Principal Executive Offices)

**95035**  
(Zip Code)

**(408) 546-5483**

(Registrant's Telephone Number, Including Area Code)

**Not Applicable**

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

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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## Item 1.01. Entry into a Material Definitive Agreement.

On July 31, 2015, Lumentum Holdings Inc. ("**Lumentum**") entered into a series of agreements with Viavi Solutions Inc.

optical products business and the WaveReady product lines (“*CCOP*”) to Lumentum (the “*Separation*”) and distribute 80.1% of the outstanding common stock of Lumentum to Viavi stockholders (the “*Distribution*”). Lumentum was formed to hold Viavi’s CCOP business and, as a result of the Distribution, is now an independent public company trading under the symbol “LITE” on The Nasdaq Stock Market. The Distribution was made at 12:01 a.m., Eastern Daylight Time, on August 1, 2015 (the “*Effective Time*”) to Viavi’s shareholders of record as of the close of business on July 27, 2015 (the “*Record Date*”), who received one share of Lumentum common stock for every five shares of Viavi common stock held as of the close of business on the Record Date and not sold prior to August 4, 2015, the ex-dividend date. In connection with the Separation and the Distribution, Lumentum entered into several agreements with Viavi that govern the separation of the CCOP business and relationship of the parties prior to, at and following the separation, including the following:

- Contribution Agreement;
- Membership Interest Transfer Agreement;
- Separation and Distribution Agreement;
- Stockholder’s and Registration Rights Agreement;
- Tax Matters Agreement;
- Employee Matters Agreement; and
- Intellectual Property Matters Agreement.

A summary of certain material features of the agreements can be found in the section entitled “Certain Relationships and Related Party Transactions—Agreements with JDSU” in Lumentum’s Information Statement dated July 16, 2015 (the “*Information Statement*”), which is attached hereto as Exhibit 99.1. The summary of the applicable agreements is incorporated by reference into this Item 1.01 as if restated in full. This summary is qualified in its entirety by reference to the Contribution Agreement, Membership Interest Transfer Agreement, Separation and Distribution Agreement, Stockholder’s and Registration Rights Agreement, Tax Matters Agreement, Employee Matters Agreement and Intellectual Property Matters Agreement, which are included with this report as Exhibits 2.1, 2.2, 2.3, 4.1, 10.1, 10.2 and 10.3, respectively, each of which is incorporated herein by reference.

**Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.**

Resignation and Appointment of Directors

As of the Effective Time, each of Brian Lillie, Harold Covert, Penelope Hersher, Martin Kaplan and Samuel Thomas were elected as directors of Lumentum, and Rex Jackson, who had been serving as a member of the board of directors of Lumentum (the

“**Board**”), resigned as a director of Lumentum. Alan Lowe will remain on the Board and will continue to serve as a director of Lumentum following the Distribution.

Biographical and compensation information on each of the directors elected to the Board, as well as Alan Lowe, can be found in Lumentum’s Information Statement under the section entitled “Management—Board of Directors Following the Separation” and for Mr. Lowe, under the section entitled “Management — Executive Officers Following the Separation”, and “Director Compensation”, each of which is incorporated by reference into this Item 5.02.

As of the Effective Time:

- Mr. Covert , Mr. Kaplan and Mr. Lillie were appointed to serve as members of the Audit Committee of the Board, and Mr. Covert was appointed as Audit Committee chairperson;
- Mr. Covert, Ms. Herscher and Mr. Thomas were appointed to serve as members of the Compensation Committee of the Board, and Ms. Herscher was appointed as Compensation Committee chairperson;
- Ms. Herscher, Mr. Kaplan and Mr. Lillie were appointed to serve as members of the Governance Committee of the Board, and Mr. Kaplan was appointed as Governance Committee chairperson; and
- Mr. Kaplan was appointed to serve as Chairman of the Board.

Named Executive Officer Compensation

On August 2, 2015, the Board approved annual base salary and target cash incentive opportunities for Lumentum’s named executive officers in the following amounts:

**Named Executive Officer**

	<b>2016 Base Salary (\$)</b>	<b>2016 Target Incentive Opportunity (%)</b>	
Alan Lowe, <i>Chief Executive Officer</i>	625,000	100	%
Craig Cocchi, <i>Senior Vice President, Operations</i>	355,000	60	%
Vincent Retort, <i>Senior Vice President, Research and Development</i>	375,000	60	%

On August 2, 2015, the Board also adopted a single cash incentive program for fiscal 2016 for the majority of its employees globally, including its named executive officers (the “**Bonus Plan**”). Under the Bonus Plan, incentive bonuses are determined based

on annual operating income and revenue metrics, weighted 80% and 20% respectively. Annual operating income is measured semi-annually and 50% of that metric may be paid after the first half of the fiscal year based on achievement during that period. Each participant in the Bonus Plan is assigned a target incentive opportunity (“*TIO*”) equal to a percentage of his or her base salary. For fiscal 2016, the assigned TIO for the named executive officers is set forth above. The actual cash incentive payments paid to each employee under the Bonus Plan may range from 0% to 200% of each employee’s assigned TIO, depending on Lumentum’s achievement of its annual operating income and revenue targets.

#### Alan Lowe Executive Employment Agreement

Effective as of the Effective Time, Alan Lowe, Lumentum’s Chief Executive Officer, Lumentum, and Lumentum Operations LLC (the “*LLC*”) entered into an employment agreement governing his at-will employment as Chief Executive Officer of Lumentum and the LLC. The employment agreement will have an initial term of three years and will automatically renew for successive one year terms unless any party provides written notice of non-renewal at least 90 days prior to the end of the term. Non-renewal of the employment agreement by Lumentum or the LLC will constitute termination of Mr. Lowe’s employment without “cause” (as defined in the employment agreement) and will entitle Mr. Lowe to certain severance benefits, as described below. However, if a “potential change in control date” (as defined in the employment agreement) occurs prior to the expiration of the employment agreement, the employment agreement will remain in effect until the earliest of (i) the period that begins on the potential change in control date and ends on the date that is 18 months following the consummation of a change in control or (ii) 12 months after the potential change in control date if no change in control has been completed; provided, however, that in the event of a protracted regulatory clearing process with respect to a potential change in control, such term shall be extended so long as Lumentum is pursuing the potential change in control in good faith.

Under the employment agreement, Mr. Lowe’s annual base salary will be \$625,000 and his annual target bonus is 100% of his annual base salary. Mr. Lowe is eligible to participate in the employee benefit plans maintained by Lumentum or the LLC and generally applicable to the senior executives of the LLC. Mr. Lowe also will be granted performance share units to acquire Lumentum common stock with a value as of \$750,000 (with the number of shares determined based on the conversion price) (the “*Lowe PSU*”), which become earned and vested as follows: (i) 100% of the Lowe PSU will be earned based on achievement against organic revenue growth target for fiscal 2016, and those earned Lowe PSUs will vest 1/3 per year on each of the first three anniversaries of the grant date, subject to his continued employment or (ii) 50% of the Lowe PSU will be earned based on achievement of the organic revenue growth rate for fiscal 2017 (and not fiscal 2016), and any earned Lowe PSUs will vest 1/2 per each on each of the second and third anniversaries of the grant, subject to his continued employment. In addition, Mr. Lowe will be granted restricted stock units of Lumentum common stock with a value of \$3,100,000 (with the number of shares determined based

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