

DASAN ZHONE SOLUTIONS, INC.
CHARTER FOR THE COMPENSATION COMMITTEE
OF THE BOARD OF DIRECTORS

As Amended and Restated Effective September 9, 2016

I. PURPOSE

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

The primary purpose of the Committee is to discharge the Board’s responsibilities relating to compensation and benefits of the Company’s executive officers and directors. In carrying out these responsibilities, the Committee shall review all components of executive officer and director compensation for consistency with the Committee’s compensation philosophy as in effect from time to time.

The Committee is also responsible for producing an annual report on executive compensation for inclusion in the Company’s proxy statement, in accordance with applicable rules and regulations.

In addition to the specific powers and responsibilities delegated to the Committee in this Charter, the Committee shall also carry out and may exercise any other powers or responsibilities as are assigned by law, the Company’s charter or bylaws or as may be delegated to it by the Board from time to time. The powers and responsibilities delegated by the Board to the Committee in this Charter or otherwise shall be exercised and carried out by the Committee as it deems appropriate without requirement of further Board approval, and any decision (including any decision to exercise or refrain from exercising any of the powers delegated to the Committee hereunder) shall be made by the Committee in its sole discretion. While acting within the scope of the powers and responsibilities delegated to it, the Committee shall have and may exercise all the powers and authority of the Board.

II. ORGANIZATION AND MEMBERSHIP REQUIREMENTS

The Committee shall be comprised of at least two directors, each of whom shall, if and to the extent required by Nasdaq Marketplace Rules, satisfy the independence requirements of The Nasdaq Stock Market. In addition, at least a majority of the members of the Committee shall be comprised of directors who are each: (1) an “outside director” under the regulations promulgated under Section 162(m) of the Internal Revenue Code of 1986 (the “Code”) and (2) a “non employee director” within the meaning of the rules promulgated by the Securities and Exchange Commission under Section 16(b) of the Securities Exchange Act of 1934, as amended (the “1934 Act”). A director shall not serve as a member of the Committee if the Chief Executive Officer (or any Co-Chief Executive Officer) or another executive officer of the Company serves on the compensation committee of another company that employs that director as an executive officer.

The members shall be appointed by the Board and shall serve until their successors are duly elected and qualified or their earlier resignation or removal. Any member of the Committee may be replaced by the Board. Unless a chairman is elected by the Board, the members of the Committee may designate a chairman by the majority vote of the full Committee membership. The Committee may from time to time delegate duties or responsibilities to subcommittees or to one member of the Committee.

A majority of the members shall represent a quorum of the Committee, and, if a quorum is present, any action approved by at least a majority of the members shall represent the valid action of the Committee. Any actions taken by the Committee during any period in which one or more members fail for any reason to meet the membership requirements set forth above shall be nonetheless duly authorized actions of the Committee for all corporate purposes.

III. MEETINGS

The Committee shall have the sole authority, in accordance with applicable securities laws, rules and regulations and Nasdaq listing standards, to retain and/or replace, as needed, any independent counsel, compensation and benefits consultants and other outside experts or advisors (“compensation advisors”) as the Committee believes to be necessary or appropriate. The Committee shall be responsible for the appointment, compensation and oversight of the work of any compensation advisors retained by the Committee. Subject to any exceptions under Nasdaq listing standards, prior to selection and engagement of any compensation advisor, the Committee shall undertake an analysis of the independence of each such compensation advisor under the independence factors specified in the applicable requirements of the 1934 Act and Nasdaq listing standards. The Committee may utilize the services of the Company’s regular legal counsel or other advisors to the Company and is not required to retain compensation advisors who are independent of the Company. The Company shall provide for appropriate funding, as determined by the Committee in its sole discretion, for payment of compensation to any compensation advisors retained by the Committee.

The Committee shall meet as often as it deems appropriate, but not less frequently than once each year, to review the compensation of the executive officers, directors and other employees of the Company, and otherwise perform its duties under this charter.

All non-management directors that are not members of the Committee may attend and observe meetings of the Committee, but shall not participate in any discussion or deliberation unless invited to do so by the Committee, and in any event shall not be entitled to vote. The Committee may, at its discretion, include in its meetings members of the Company’s management, representatives of the independent auditor, the internal auditor, any other financial personnel employed or retained by the Company or any other persons whose presence the Committee believes to be necessary or appropriate. Notwithstanding the foregoing, the Committee may also exclude from its meetings any person it deems appropriate, including but not limited to, any non-management director that is not a member of the Committee.

The Committee shall maintain written minutes of its meetings, which minutes will be filed with the minutes of the meetings of the Board.

IV. COMMITTEE AUTHORITY AND RESPONSIBILITIES

To fulfill its responsibilities and duties, the Committee shall:

1. Determine all compensation for the Chief Executive Officer, including incentive-based and equity-based compensation. The Chief Executive Officer may not be present during such voting or deliberations.
2. Review and approve annual performance objectives and goals relevant to compensation for the Chief Executive Officer and evaluate the performance of the Chief Executive Officer in light of these goals and objectives.
3. Consider, in determining the long-term incentive component of compensation for the Chief Executive Officer, the Company's performance and relative shareholder return, the value of similar incentive awards to chief executive officers at comparable companies, and the awards given to the Company's Chief Executive Officer in past years.
4. Review and approve all compensation, including, without limitation, salaries, incentive and equity awards, for all executive officers and oversee the evaluation of management.
5. Approve all employment, severance, or change-in-control agreements, special or supplemental benefits, or provisions including the same, applicable to executive officers.
6. Approve or make recommendations to the Board regarding incentive-based or equity-based compensation plans in which the Company's executive officers participate, and with respect to each plan shall have the authority to (a) conduct general administration; (b) set performance targets under all annual bonus and long-term incentive compensation plans as appropriate, including, as and when required, committing to writing any and all performance targets for all executive officers who may be "covered employees" under Section 162(m) of the Code within the first 90 days of the performance period to which such target relates or, if shorter, within the period provided by Section 162(m) of the Code in order for such target to be "pre-established" within the meaning of Section 162(m); (c) certify that any and all performance targets used for any performance-based equity compensation plans have been met before payment of any executive bonus or compensation or exercise of any executive award granted under any such plan(s), which certification shall be in accordance with the requirements under Section 162(m) of the Code, as and when required; (d) approve all amendments to, and terminations of, all compensation plans and any awards under such plans; and (e) grant, set the terms of and modify any awards under any performance-based annual bonus, long-term incentive compensation and equity compensation plans to executive officers or current employees with the potential to become the chief executive officer or an executive officer, including stock options and other equity rights (e.g., restricted stock and stock purchase rights).
7. Review and propose to the Board from time to time changes in director compensation.

8. (a) Review and discuss with management the Company's compensation discussion and analysis to be included in the Company's annual proxy statement or Annual Report on Form 10-K filed with the U.S. Securities and Exchange Commission, (b) review and discuss with management the disclosure included in the Company's annual proxy statement related to the engagement of advisors to the Committee, and (c) prepare an annual report on executive compensation for inclusion in the Company's proxy statement for the annual meeting of stockholders, in accordance with applicable rules and regulations.

9. Support the Board's risk oversight responsibilities by reviewing and evaluating the Company's risk management processes with respect to the Company's compensation plans and arrangements, and discussing with management the Company's policies with respect to compensation risk assessment and risk management, the Company's significant compensation risk exposures and the actions management has taken to limit, monitor or control such exposures.

10. Perform such other activities consistent with this Charter, the Company's bylaws and governing law, as the Committee or the Board deems necessary or appropriate.

11. Make regular reports to the Board regarding the foregoing.

12. Review and reassess the adequacy of this Charter at least annually and recommend any proposed changes to the Board for approval.

13. Review and evaluate the Committee's own performance on an annual basis.

References in this Section IV to the "Chief Executive Officer" shall be deemed to include each and any Co-Chief Executive Officer of the Company.