

KOPIN CORP  
Form DEF 14A  
March 17, 2010

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, DC 20549

**SCHEDULE 14**

(Rule 14a-101)

**INFORMATION REQUIRED IN PROXY STATEMENT**

**SCHEDULE 14A INFORMATION**

**Proxy Statement Pursuant to Section 14(a)**

**of the Securities Exchange Act of 1934**

**(Amendment No.    )**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

**Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to Section §240.14a-12

**Kopin Corporation**

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Edgar Filing: KOPIN CORP - Form DEF 14A

Payment of Filing Fee (Check the appropriate box):

No fee required

Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

**KOPIN CORPORATION**

200 John Hancock Road, Taunton, Massachusetts 02780

March 17, 2010

To Our Stockholders:

You are cordially invited to attend the 2010 Annual Meeting of Stockholders of KOPIN CORPORATION, to be held at 9:00 a.m. on April 29, 2010, at the offices of Bingham McCutchen LLP, One Federal Street, Boston, Massachusetts 02110 (the Meeting).

The Notice of Meeting and the Proxy Statement that follow describe the business to be considered and acted upon by the stockholders at the Meeting. Our Annual Report on Form 10-K for the fiscal year ended December 26, 2009 is also enclosed for your information.

Our board of directors encourages your participation in Kopin Corporation's electoral process and, to that end, solicits your proxy with respect to the matters described in the Notice of Meeting and the Proxy Statement. You may submit your proxy by completing, dating and signing the enclosed Proxy Card and returning it promptly in the enclosed envelope. You may also vote by telephone or by the Internet, as described in the Proxy Statement. You are urged to vote by mail, telephone or Internet even if you plan to attend the Meeting.

Sincerely,  
JOHN C.C. FAN

*Chairman*

**KOPIN CORPORATION**

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS**

**To Be Held On April 29, 2010**

Notice is hereby given that the 2010 Annual Meeting (the Meeting ) of Stockholders of Kopin Corporation (the Company ) will be held at the offices of Bingham McCutchen LLP, One Federal Street, Boston, Massachusetts 02110 on April 29, 2010, at 9:00 a.m., local time, to consider and act upon the following matters:

1. A proposal to elect seven (7) directors of the Company to serve until the next Annual Meeting of Stockholders and until their successors are duly elected and qualified.
2. A proposal to approve the Company s 2010 Equity Incentive Plan.
3. A proposal to ratify the appointment of Deloitte & Touche LLP as the independent registered public accounting firm of the Company for the current fiscal year.
4. Such other business as may properly come before the Meeting or any adjournments thereof.

Stockholders of record at the close of business on March 10, 2010 are entitled to notice of and to vote at the Meeting and any adjourned sessions thereof. The enclosed proxy statement is being mailed to those shareholders on or about March 17, 2010. All stockholders are cordially invited to attend the Meeting.

By Order of the Board of Directors  
JOHN C.C. FAN

*Chairman*

Taunton, Massachusetts

March 17, 2010

**WHETHER OR NOT YOU EXPECT TO BE PRESENT AT THE MEETING, PLEASE COMPLETE, DATE, SIGN AND MAIL THE ENCLOSED PROXY, WHICH IS SOLICITED BY THE BOARD OF DIRECTORS OF THE COMPANY, AND PROMPTLY RETURN IT IN THE PREAMBITED ENVELOPE PROVIDED FOR THAT PURPOSE. THE ENCLOSED ENVELOPE REQUIRES NO POSTAGE IF MAILED IN THE UNITED STATES. ALTERNATIVELY, YOU MAY VOTE BY TELEPHONE OR THE INTERNET AS DESCRIBED IN THE PROXY STATEMENT. IF YOU ATTEND THE MEETING, YOU MAY WITHDRAW ANY PROXY GIVEN BY YOU AND YOU MAY VOTE YOUR SHARES IN PERSON AT THE MEETING.**

**KOPIN CORPORATION**

**200 John Hancock Road**

**Taunton, Massachusetts 02780**

**PROXY STATEMENT**

**Important Notice Regarding Internet Availability of Proxy Materials for the Stockholders Meeting to be Held on April 29, 2010. The Proxy Statement and Annual Report to Stockholders is/are**

**available at [www.kopin.com/proxy](http://www.kopin.com/proxy)**

This proxy statement and proxy are being furnished in connection with the solicitation by the board of directors of Kopin Corporation for use at the 2010 Annual Meeting of Stockholders (the Meeting) to be held on April 29, 2010, and at any adjournments thereof. This proxy statement, the accompanying proxy card and our Annual Report for the fiscal year ended December 26, 2009 were first mailed to stockholders on or about March 17, 2010. The Meeting will be held at the offices of Bingham McCutchen LLP, One Federal Street, Boston, Massachusetts 02110 on April 29, 2010 at 9:00 a.m.

All solicitation expenses, including costs of preparing, assembling and mailing proxy materials, will be borne by Kopin Corporation. It is expected that solicitations will be made primarily by mail, but our directors, officers and regular employees also may solicit proxies by telephone and in person, without additional compensation. Arrangements will be made with brokerage houses and other custodians, nominees, and fiduciaries for proxy materials to be sent to their principals, and we will reimburse such persons for their reasonable expenses in so doing.

The close of business on March 10, 2010 has been established as the record date for determining the stockholders entitled to notice of and to vote at the Meeting and at any adjournments thereof. As of the record date, there were issued and outstanding and entitled to vote 68,663,750 shares of our common stock. Holders of shares of our common stock are entitled to one vote for each share owned as of the record date on all matters to come before the Meeting and any adjournments thereof. The presence in person or by proxy of holders of a majority of the issued and outstanding shares of our common stock entitled to vote at the Meeting constitutes a quorum for the transaction of business at the Meeting.

Stockholders may vote by completing the enclosed proxy card and mailing it in the envelope provided, by using a toll-free telephone number provided on the proxy card, or over the Internet. The Internet and telephone voting facilities for stockholders of record will close at 11:59 p.m. on April 28, 2010. Any proxy submitted prior to the Meeting may be revoked at any time before it is voted by written notice of revocation received by the Secretary of Kopin Corporation prior to the Meeting, by delivering a later dated proxy in accordance with the instructions on the enclosed proxy, by voting in person at the Meeting or by revoking a written proxy by request in person at the Meeting. If the proxy submitted is not so revoked, the shares represented by such proxy will be voted in accordance with the instructions contained therein. If no choice is specified for one or more proposals in a proxy submitted by or on behalf of a stockholder, the shares represented by such proxy will be voted in favor of such proposals and in the discretion of the named proxies with respect to any other proposals which may properly come before the Meeting.

For Proposal 1, directors are elected by a plurality of shares present in person or represented by proxy at the Meeting and entitled to vote, which means that the seven individuals receiving the highest number of FOR votes will be elected directors. Proposals 2 and 3 will be approved upon the affirmative vote of a majority of shares present in person or represented by proxy at the Meeting and entitled to vote on each such proposal.

If, in a proxy submitted on behalf of a stockholder by a person acting solely in a representative capacity, the proxy is marked clearly to indicate that the shares represented thereby are not being voted with respect to one or more proposals, then such proxies will be counted as present for purposes of establishing a quorum at the

Meeting but will not be considered entitled to vote on such proposals and such non-votes will have no effect on the results of the voting on such proposals. Proxies marked as abstain as to one or more proposals will be counted as present for purposes of establishing a quorum at the Meeting and for the purpose of calculating the vote on such proposals. Such abstentions will have the effect of a vote against such proposals other than Proposal 1 (for which they will have no effect on the voting results).

The chairman of the Meeting or the holders of a majority of the shares present in person or represented by proxy at the Meeting and entitled to vote have the power to adjourn the Meeting from time to time without notice other than announcement at the Meeting of the time and place of the adjourned meeting.

Our board does not know of any matters which will be brought before the Meeting other than those matters specifically set forth in the Notice of Meeting. However, if any other matter properly comes before the Meeting, it is intended that the persons named in the enclosed proxy card, or their substitutes acting thereunder, will vote on any such matter in accordance with their best judgment.

### Corporate Governance Matters

Our board of directors has an Audit Committee, a Compensation Committee, and a Nominating Committee and Corporate Governance. The following table lists each of our directors for fiscal year 2009 and provides membership information for each of the committees:

Name	Audit	Compensation	Nominating and Corporate Governance
John C.C. Fan			
James K. Brewington			X
David E. Brook			X
Andrew H. Chapman	X	X	
Morton Collins	X	X	
Chi Chia Hsieh			X
Michael J. Landine	X		

#### *Corporate Governance Guidelines*

Our board has adopted charters for each of its Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee. Our board also has adopted corporate governance guidelines, a code of business conduct and ethics for employees, executive officers and directors and a whistleblower policy regarding the treatment of complaints on accounting, internal accounting controls and auditing matters. All of these documents are available on our website at [www.kopin.com](http://www.kopin.com) under the heading Investors: Corporate Governance. A copy of any of these documents may be obtained, without charge, upon written request to Kopin Corporation, c/o Investor Relations, 200 John Hancock Road, Taunton, MA 02780.

#### *Corporate Governance Practices and Board Independence*

Each year, our board of directors reviews the relationships that each director has with us and with other parties. Only those directors who do not have any of the categorical relationships that preclude them from being independent within the meaning of applicable NASDAQ Stock Market, Inc. Marketplace Rules, or the NASDAQ Rules, and who the board of directors affirmatively determines have no relationships that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director, are considered to be independent directors. Our board of directors has reviewed a number of factors to evaluate the independence of each of its members. These factors include the members current and historic relationships with us and our competitors, suppliers and customers; their relationships with management and other directors; the relationships their current and former employers have with us; and the relationships between us and other companies of which

a member of our board of directors is a director or executive officer. After evaluating these factors, our board of directors has determined that a majority of the members of the board of directors, namely James Brewington, David Brook, Andrew Chapman, Morton Collins, Chi Chia Hsieh and Michael Landine, do not have any relationships that would interfere with the exercise of independent judgment in carrying out their responsibilities as a director and are independent directors of Kopin Corporation within the meaning of applicable NASDAQ Rules.

In making its independence determinations, our board considered transactions occurring since the beginning of 2006 between us and entities associated with the independent directors or members of their immediate family. All identified transactions that appear to relate to Kopin Corporation and a person or entity with a known connection to a director are presented to the board for consideration. In making its subjective determination that each non-employee director is independent, our board considered the transactions in the context of the NASDAQ Rules, the standards established by the SEC for members of audit committees, and the SEC and Internal Revenue Service standards for compensation committee members. In each case, our board determined that, because of the nature of the director's relationship with the entity and/or the amount involved, the relationship did not impair the director's independence. Our board's independence determinations included reviewing the following transactions and relationships:

Dr. Hsieh is a director of a company, KoBrite Corp, or KoBrite, in which Kopin owns a minority interest. Dr. Hsieh is also a Director of Bright LED which is the majority owner of KoBrite. Dr. Hsieh is also a director and shareholder of a company, Kopin Taiwan Corporation (KTC), in which Kopin owns a majority interest. Dr. Hsieh receives a consulting fee from KTC of approximately \$1,000 per month.

Mr. Brook, one of our directors, is a partner of the patent law firm of Hamilton, Brook, Smith & Reynolds P.C., which is our patent counsel. During the fiscal year 2009, we paid Hamilton, Brook, Smith & Reynolds P.C fees of approximately \$298,742.

#### *Nomination and Election of Directors*

When seeking candidates for director, the Nominating and Corporate Governance Committee may solicit suggestions from incumbent directors, management or others. After conducting an initial evaluation of a candidate, the committee will interview that candidate if it believes the candidate might be suitable to serve as a director. The committee may also ask the candidate to meet with our management. If the committee believes a candidate would be a valuable addition to the board and there is either a vacancy on the board or the committee believes it is in the best interests of Kopin Corporation and its stockholders to increase the number of board members, it will recommend to the full board that candidate's election.

Before nominating a sitting director for re-election at an annual stockholder meeting, the committee will consider the director's performance on the board and whether the director's re-election would be consistent with our corporate governance guidelines and our continued compliance with applicable laws, rules and regulations.

Our board believes that it should be comprised of directors with diverse and complementary backgrounds, and that directors should have expertise that, at a minimum, may be useful to us and may contribute to the success of our business. Directors also should possess the highest personal and professional ethics and should be willing and able to devote an amount of time sufficient to effectively carry out their duties and contribute to the success of our business. When considering candidates for director, the Committee takes into account a number of factors, which may include the following:

Independence from management;

Age, gender and ethnic background;

Relevant business experience;

Judgment, skill and integrity;



Existing commitments to other businesses;

Potential conflicts of interest;

Corporate governance background;

Financial and accounting background;

Executive compensation background; and

Size and composition of the existing board.

The Nominating and Corporate Governance Committee will consider candidates for director suggested by stockholders by considering the foregoing criteria and the additional information referred to below. Stockholders wishing to suggest a candidate for director should write to Kopin Corporation, c/o Investor Relations, 200 John Hancock Road, Taunton, MA 02780, and include the following:

The name and address of the stockholder and a statement that he, she or it is one of our stockholders and is proposing a candidate for consideration by the committee;

The class and number of shares of our capital stock, if any, owned by the stockholder as of the record date for the annual stockholder meeting (if such date has been announced) and as of the date of the notice, and length of time such stockholder has held such shares;

The name, age and address of the candidate;

A description of the candidate's business and educational experience;

The class and number of shares of our capital stock, if any, owned by the candidate, and length of time such candidate has held such shares;

Information regarding each of the foregoing criteria the board generally considers, other than the factor regarding board size and composition, sufficient to enable the committee to evaluate the candidate;

A description of any relationship between the candidate and any of our customers, suppliers or competitors or any actual or potential conflict of interest;

A description of any relationship or understanding between the stockholder and the candidate; and

A written statement by the candidate that the candidate is willing to be considered and willing to serve as a director if nominated and elected.

## Edgar Filing: KOPIN CORP - Form DEF 14A

Under our by-laws, nominations for directors may be made only by or at the direction of the board, or by a stockholder of record at the time of giving notice who is entitled to vote and delivers to Kopin Corporation written notice along with the additional information and materials required by the by-laws not less than 30 days nor more than 75 days prior to the day and month on which, in the immediately preceding year, the annual meeting for such year occurred. For our annual meeting in the year 2011, in addition to the following requirements included in our by-laws, we must receive this notice no earlier than February 13, 2011 and no later than March 30, 2011 to be eligible for consideration at the annual meeting in 2011. You can obtain, without charge, a copy of the by-laws by writing to Kopin Corporation, c/o Investor Relations, 200 John Hancock Road, Taunton, MA 02780.

### *Stockholder Communications with the board*

The board has established a process for stockholders to send communications to our board or any individual director. Stockholders may send written communications to the board or any director to Kopin Corporation, board of directors, c/o Chief Financial Officer, 200 John Hancock Road, Taunton, MA 02780. Stockholders also may send communications via email to [rsneider@kopin.com](mailto:rsneider@kopin.com) with the notation Attention: Chief Financial Officer/board of directors in the subject field. All communications will be submitted to the board or the individual directors on a periodic basis.

*Related Transactions*

The Audit Committee reviews and approves certain transactions or relationships involving Kopin and its directors, executive officers and their affiliates. In reviewing a transaction or relationship, the Audit Committee will take into account, among other factors it deems appropriate, whether it is on terms no more favorable than to an unaffiliated third party under similar circumstances, as well as the extent of the related party's interest in the transaction. Our Code of Business Conduct and Ethics for Employees, Executive Officers and Directors prohibits any transaction or relationship that would create a conflict of interest, unless approved by the board. Conflicts of interests are to be reported to the applicable employees' immediate supervisor or our chief financial officer.

We do not currently provide personal loans to our executive officers or directors.

---

**PROPOSAL I**

**ELECTION OF DIRECTORS**

Our by-laws provide that the board shall consist of not less than three nor more than thirteen directors. The board has fixed the number of directors at seven. Unless authority is withheld, it is the intention of the persons voting under the enclosed proxy to vote such proxy in favor of the election of each of the nominees to be a director until the 2011 Annual Meeting of Stockholders and until their successors are elected and qualified. If any nominee is unavailable, such votes will be cast by the proxies either for a substitute nominee selected by the proxies or to fix the number of directors at a lesser number. Our board currently has no reason to expect that any of the nominees will be unavailable.

**Required Vote**

The election of directors requires a plurality of the votes properly cast by or on behalf of the holders of our common stock at the Meeting. Any non-votes and abstentions from voting received will have no effect on the results of this Proposal 1.

**The board of directors has nominated and recommends that you vote FOR the election of each of the nominees listed below to serve as our Directors until the next Annual Meeting or until their successors are duly elected and qualified.**

Set forth below are the name and age for each director nominee, his or her principal occupation and business experience during the past five years and the names of other publicly traded companies of which he or she served as a director.

Name	Age	Served as Director Since	Position and Offices with the Company
John C.C. Fan	66	1984	President, Chief Executive Officer, Director and Chairman of the Board
James K. Brewington	66	2006	Director
David E. Brook	69	1984	Secretary and Director
Andrew H. Chapman	55	1985	Director
Morton Collins	74	1985	Director
Chi Chia Hsieh	65	1995	Director
Michael J. Landine	56	2003	Director

Beyond their general business acumen and insights the board of directors believes the proposed directors bring the following skill sets and benefits to the Company:

*James K. Brewington* Mr. Brewington served as president of Lucent Technologies Mobility Solutions Group where he was responsible for all wireless infrastructure for the mobility segment, including global wireless development and product architecture. The Company's III-V products are integrated into wireless devices such as cell phones and WiFi circuits. Mr. Brewington provides counsel on the direction of wireless technologies used by the Company in developing its strategies.

*David E. Brook* The Company makes significant investments in research and developing new technologies. Mr. Brook is a founder of Hamilton, Brook, Smith & Reynolds a law firm specializing in intellectual property (IP) rights. Mr. Brook counsels the Company on developing IP strategies to protect the Company's investments.

*Andrew Chapman* The Company is still in its early growth stage and Mr. Chapman has managed and served on the boards of numerous start-up technology companies and provides the Company counsel on dealing with both day-to-day issues and developing strategies during the Company's formative years.

*Morton Collins* Dr. Collins has served on the board of directors of several venture capital partnerships, private and public companies and has an extensive technology background. Mr. Collins provides the Company counsel based on his experience in finance and company creation.

*Chi Chia Hsieh* The Company has production facilities, sales offices and investments in Taiwan, Korea, Japan and China. Dr. Hsieh, Chairman of the Taiwan Science Parks, provides the Company counsel on Asian business practices and relationships with Asian business leaders.

*Michael Landine* Mr. Landine has served as Chief Financial Officer and Vice President of Business Development at Alkermes, Inc. a publicly-held company and has served on the board of directors of other publicly-held corporations. Mr. Landine provides counsel to the Company as Chairman of the Audit Committee and in evaluating strategic investment opportunities.

The board of directors considers diversity in terms of education, business experience and nationality when considering board of director candidates.

### **Background of Nominees for Director and Certain Officers**

#### *Nominees*

*John C.C. Fan, President, Chief Executive Officer, Chairman of the board.* Dr. Fan has served as our Chief Executive Officer and Chairman of the board since our organization in April 1984. He has also served as our President since July 1990. Prior to July 1985, Dr. Fan was Associate Leader of the Electronic Materials Group at MIT Lincoln Laboratory. Dr. Fan is the author of numerous patents and scientific publications. Dr. Fan received a Ph.D. in Applied Physics from Harvard University. During the past five years Dr. Fan has not served on the board of directors of any other public companies or registered management investment companies.

*James K. Brewington, Director.* Mr. Brewington has served as one of our directors since 2006. Mr. Brewington retired as President of Developing Markets at Lucent Technologies in 2007. Prior to heading Lucent's Developing Markets group, Mr. Brewington served as president of the company's Mobility Solutions Group, where he was responsible for all wireless infrastructure for the mobility segment, including global wireless development and product architecture, project management, and business and product management. He began his career at AT&T in 1968, and over the ensuing years he has held various executive management positions in the telecommunications industry, including overseeing Bell Telephone Wireless Laboratories. Mr. Brewington is currently a member of the board of directors of Sonus Networks, Inc., a public company. During the past five years Mr. Brewington has not served on the board of directors of any other public companies or registered management investment companies.

*David E. Brook, Secretary and Director.* Mr. Brook has served one of our directors since 1984. Mr. Brook is a founder and principal of the intellectual property law firm of Hamilton, Brook, Smith & Reynolds P.C. in Concord, Massachusetts. During the past five years Mr. Brook has not served on the board of directors of any other public companies or registered management investment companies.

*Andrew H. Chapman, Director.* Mr. Chapman has served as one of our directors since 1985. From 2003 to the present, Mr. Chapman has been a private investor. Mr. Chapman has founded, managed, been a director of and or invested in numerous technology start-up companies over the past 20 years. From June 2000 until February 2003, he served as an Executive Vice President for Narad Networks, Inc., a network equipments provider. Mr. Chapman received a B.A. from Yale College and an MBA from The Wharton School. During the past five years Mr. Chapman has not served on the board of directors of any public companies or registered management investment companies.

*Morton Collins, Director.* From October 1968, to June 1974, Mr. Collins was the Founder and Chief Executive Officer of Data Science Ventures, Inc. (DSV I). He was a Founder of DSV Associates (DSV II); DSV Partners III (DSV III); DSV Partners IV (DSV IV) and has been the Managing Partner of each since their formation in 1974, 1981 and 1985 respectively. These organizations provide venture capital and management assistance to early-stage high-technology companies. In July of 1997 Mr. Collins became a Special Limited Partner of Cardinal Partners, the successor to the DSV series of partnerships. In August of 2003 Mr. Collins became a General Partner of Battelle Ventures which he founded. Mr. Collins is currently a member of the board of directors Inovio Biomedical Corporation, a public company. During the past five years Mr. Collins has not served on the board of directors of any other public companies or registered management investment companies other than Strategic Diagnostic, Inc.

*Chi-Chia Hsieh, Director.* Dr. Hsieh has served as one of our directors since December 1995. Dr. Hsieh is currently the Vice Chairman and was previously the President of Microelectronics Technology, Inc., a Taiwan corporation publicly traded on the Taiwan Stock Exchange. Dr. Hsieh is Chairman of the board of directors of Kopin Taiwan Corporation, a Taiwan corporation in which we are a majority shareholder. Dr. Hsieh is also a member of the board of directors of BriteLED, a Taiwan Corporation, publicly traded on the Taiwan Stock Exchange. Dr. Hsieh is currently a member of the board of directors of Microelectronics Technology Inc, Advanced Wireless Systems, Bright LED Electronics Corp., and Taiwan Cement Corporation, all public companies. During the past five years Dr. Hsieh has not served on the board of directors of any other public companies or registered management investment companies.

*Michael J. Landine, Director.* Mr. Landine has served as one of our directors since 2003. Mr. Landine is Senior Vice President of Corporate Development of Alkermes, Inc., where he has worked for over 20 years. Mr. Landine served for 10 years as the Chief Financial Officer and Treasurer of Alkermes. Mr. Landine also serves as an advisor to Walker Magnetics Group, an international manufacturer of industrial equipment. From 1976 to 1983, Mr. Landine worked for the international accounting firm Touche Ross & Co. Mr. Landine currently serves on the board of directors of GTC Biotherapeutics Inc., a publicly-traded biotechnology company, where he also serves on the Audit Committee. During the past five years Mr. Landine has not served on the board of directors of any other public companies or registered management investment companies

#### *Officers*

*John C.C. Fan, President, Chief Executive Officer, Chairman of the board.* Dr. Fan has served as our Chief Executive Officer and Chairman of the board since our organization in April 1984. He has also served as our President since July 1990. Prior to July 1985, Dr. Fan was Associate Leader of the Electronic Materials Group at MIT Lincoln Laboratory. Dr. Fan is the author of numerous patents and scientific publications. Dr. Fan received a Ph.D. in Applied Physics from Harvard University.

*Richard A. Sneider, Treasurer and Chief Financial Office.* Mr. Sneider, age 49, has served as our Treasurer and Chief Financial Officer since September 1998. Mr. Sneider is a former Certified Public Accountant and was formerly a partner of the international public accounting firm, Deloitte & Touche LLP, where he worked for 16 years.

*Hong Choi, Chief Technology Officer and Vice President.* Dr. Choi, age 58, joined us as Chief Technology Officer in July 2000. Previously, Dr. Choi served as Senior Staff Member at MIT Lincoln Laboratory, where he worked for 17 years. Dr. Choi received a Ph.D. in Electrical Engineering from the University of California, Berkeley.

*Bor-Yeu Tsaur, Executive Vice President Display Operations.* Dr. Tsaur, age 54, joined us as Executive Vice President Display Operations in July 1997. From 1993 to 1997, Dr. Tsaur served as Group Leader, Electronic Material Group, at MIT Lincoln Laboratory. Dr. Tsaur received a Ph.D. in Electrical Engineering from the California Institute of Technology.

*Michael Presz, Vice President Government Programs and Special Projects.* Mr. Presz, age 56, joined us in November 1994 as General Manager of Display's Visual Products Group and was promoted to Vice President in April 2005. Prior to joining us, Mr. Presz worked for 6 years at Kaiser Electronics and 15 years at General Electric Aerospace.

*Daily Hill, Senior Vice President Gallium Arsenide Operations.* Mr. Hill, age 53, has served as our Vice President Gallium Arsenide Operations since July 1997 and was promoted to Senior Vice President in 2002. From December 1995 to June 1997, Mr. Hill served as a director of Gallium Arsenide Operations. From November 1987 to January 1995, Mr. Hill served as a manager of our HBT transistor wafer product group.

#### Board Structure and Risk

Our Board leadership structure is commonly utilized by other public companies in the United States, and we believe that it is effective for the Company. This leadership structure is appropriate for our Company given the size and scope of our business, the experience and active involvement of our independent directors, and our corporate governance practices, which include regular communication with and interaction between and among the Chief Executive Officer and the Chief Financial Officer and the independent directors. Pursuant to our Bylaws, our Board selects the Chairman and the Chief Executive Officer that it determines to be in the best interest of the Company's shareholders. Of the seven members of our Board, six are independent from management. We believe that having a combined Chairman and Chief Executive Officer and independent chairs for each of our Board committees provides the best form of leadership for our Company. We have a single leader for our Company with oversight of Company operations by experienced independent directors who have appointed three independent committee chairs.

We believe that our directors provide effective oversight of risk management functions. Annually the Company performs a risk review wherein the management team evaluates the risks facing the Company in the upcoming year and over a longer term horizon, typically three years. From this risk assessment plans are developed to deal with the risks identified. This risk assessment is provided to the Board of Directors and their input is reflected in the annual risk assessment. In addition members of the Company's management periodically present to the Board the strategies, issues and plans for the product lines they manage. The Compensation Committee also reviews the Company's incentive plans to determine if they result in management behavior which may result in additional risk beyond the plans intended purpose. While the Board oversees the Company's risk management, Company management is responsible for day-to-day risk management processes. Additionally, the Board requires that management raise exceptional issues to the Board. We believe this division of responsibilities is the most effective approach for addressing the risks facing our Company and that the Board leadership structure supports this approach.

#### Board and Committee Meetings

During the fiscal year 2009, our board held 6 meetings. For each director, overall attendance at board meetings, either in person or by conference call, was greater than 75%. All of our then directors attended the 2009 annual stockholder meeting, except for Dr. Chi-Chia Hsieh. Although we currently do not require our directors to attend annual stockholder meetings, we do encourage directors to do so and welcome their attendance.

*Audit Committee:* We have established a separately designated Audit Committee as defined by Section 3(a)(58)(A) of the Securities Exchange Act of 1934, as amended. Our Audit Committee is composed of three directors, Morton Collins, Andrew H. Chapman and Michael J. Landine, each of whom the board has determined is independent under the NASDAQ Rules and the applicable SEC rules and regulations. The board has determined that Mr. Landine is an audit committee financial expert as defined by Item 407(d)(5)(ii) of Regulation S-K of the Exchange Act. Our board adopted an Audit Committee Charter and a copy of this charter is available on our website at [www.kopin.com](http://www.kopin.com) under the heading Investors: Corporate Governance. Our Audit

Committee Charter delegates to the Audit Committee the responsibility, among other things, to engage our independent auditors, review the audit fees, supervise matters relating to audit functions, review and set internal policies and procedure regarding audits, accounting and other financial controls, and review related party transactions. The Audit Committee pre-approved all audit and non-audit services provided by Deloitte & Touche LLP for fiscal year 2009. During the 2009 fiscal year, our Audit Committee met in person or through a conference call 9 times.

*Nominating and Corporate Governance Committee:* Our Nominating and Corporate Governance Committee presently is composed of three directors, Mr. Brewington, Dr. Hsieh and Mr. Brook, each of whom the board has determined is independent under applicable NASDAQ Rules. The Nominating and Corporate Governance Committee is responsible, among other things, for considering potential board members, making recommendations to the full board as to nominees for election to the board, assessing the effectiveness of the board and implementing our corporate governance guidelines. The charter of the Nominating and Corporate Governance Committee is available on the Company's website at [www.kopin.com](http://www.kopin.com) under the heading Investors: Corporate Governance. During the 2009 fiscal year, our Nominating and Corporate Governance Committee met in person or through a conference call 1 time.

*Compensation Committee:* Our Compensation Committee presently is composed of two directors, Mr. Collins and Mr. Chapman, each of whom the board has determined is independent under applicable NASDAQ Rules. The charter of the Compensation Committee is available on the Company's website at [www.kopin.com](http://www.kopin.com) under the heading Investors: Corporate Governance. During the 2009 fiscal year, our Compensation Committee met in person or through a conference call 2 times.

The Compensation Committee is responsible for the approval of remuneration arrangements for our executive officers, review and approval of compensation plans relating to executive officers and directors, including grants of stock options, restricted stock and stock grants under our 2001 Equity Incentive Plan and 2001 Supplemental Equity Incentive Plan, and other benefits and general review of our employee compensation policies.

*Compensation Committee Interlocks and Insider Participation*

None of our executive officers serves as a member of our board of directors or compensation committee, or other committee serving an equivalent function, of any other entity that has one or more of its executive officers serving as a member of our board of directors or Compensation Committee. None of the current members of our Compensation Committee has ever been an employee of Kopin or any subsidiary of Kopin.



---

**STOCK OWNERSHIP OF PRINCIPAL STOCKHOLDERS AND MANAGEMENT**

The following table sets forth certain information regarding the beneficial ownership of our common stock as of December 26, 2009 by all those known by us to be beneficial owners of more than 5% of our common stock and as of March 10, 2010 for all of our directors, named executive officers and all of our executive officers and directors as a group. The table reflects the cancellation of certain options as a result of our stock option review.

Name	Amount and Nature of Beneficial Ownership(1)	Percent
John C.C. Fan(2)	3,031,650	4.3
James K. Brewington	50,000	*
David E. Brook(3)	234,760	*
Andrew H. Chapman(3)	135,000	*
Morton Collins(3)	263,000	*
Chi Chia Hsieh(4)	223,000	*
Michael J. Landine(5)	105,000	*
Bor Yeu Tsaur(6)	641,611	*
Daily S. Hill(7)	167,088	*
Richard A. Sneider(8)	544,925	*
Hong Choi(9)	396,465	*
Michael Presz(10)	242,133	*
All directors and executive officers as a group (12 persons)(11)	6,034,633	8.44
Blackrock, Inc. 40 East 52 Street, New York, NY	4,944,651	7.2
Vanguard Group, Inc 100 Vanguard Blvd, Malvern, PA.	3,585,339	5.2
Special Situation Fund L.P., Special Situation Fund II L.P. and Special Situation Fund III QP L.P. 527 Madison Avenue, New York, NY	6,475,966	9.4

\* Less than 1 %

- (1) Unless otherwise indicated in these footnotes, each stockholder has sole voting and investment power with respect to the shares beneficially owned.
- (2) Includes 1,395,741 shares representing options that are currently exercisable or exercisable within 60 days of March 17, 2010.
- (3) Includes 91,000 shares representing options that are currently exercisable or exercisable within 60 days of March 17, 2010.
- (4) Includes 107,000 shares representing options that are currently exercisable or exercisable within 60 days of March 17, 2010.
- (5) Includes 65,000 shares representing options that are currently exercisable or exercisable within 60 days of March 17, 2010.
- (6) Includes 300,000 shares representing options that are currently exercisable or exercisable within 60 days of March 17, 2010.
- (7) Includes 40,303 shares representing options that are currently exercisable or exercisable within 60 days of March 17, 2010.
- (8) Includes 296,622 shares representing options that are currently exercisable or exercisable within 60 days of March 17, 2010.
- (9) Includes 239,363 shares representing options that are currently exercisable or exercisable within 60 days of March 17, 2010.
- (10) Includes 84,000 shares representing options that are currently exercisable or exercisable within 60 days of March 17, 2010.
- (11) Includes 2,801,029 shares issuable to certain directors and executive officers pursuant to options that are currently exercisable or exercisable within 60 days of March 17, 2010.

---

## Section 16(a) Beneficial Ownership Reporting Compliance

Based solely on a review of reports furnished to us or written representations from our directors and executive officers and other information, we believe that none of our directors, executive officers and 10% stockholders failed to file on a timely basis the reports required to be filed pursuant to Section 16 of the Exchange Act during the fiscal year 2010.

## COMPENSATION AND OTHER INFORMATION CONCERNING DIRECTORS AND OFFICERS

### Compensation Discussion and Analysis

*The following compensation discussion and analysis summarizes our philosophy and objectives regarding the compensation of our named executive officers, including how we determine elements and amounts of executive compensation. The following compensation discussion and analysis should be read in conjunction with our tabular disclosures which directly follow the discussion, beginning on page 20 of this proxy statement.*

### Compensation Philosophy

We believe that our named executive officers play a critical role in the operational and financial performance of our Company that creates long-term value for our stockholders. Accordingly, our executive compensation philosophy is to reward our executives for individual performance and for contributions to our performance. We believe that while certain products of the Company are more mature, specifically certain of the III-V products, the faster growing and more profitable products, specifically the display products for military applications, are still in their early stages of development and accordingly we have attempted to strike a balance between employee retention objectives and pay-for-performance objectives. We believe that we accomplish this by compensating our executives with a combination of base salary, performance bonus awards and long-term equity-based retention compensation. There is no pre-established policy for the allocation between either cash or non-cash compensation.

We believe that the quality, commitment and performance of our executives are critical factors affecting our long-term value. Accordingly, our executive compensation objectives include:

aligning our executive interests with the Company's goals and our stockholder interests;

rewarding our executives for individual performance; and

retaining our executives.

In addition, we periodically use benchmarks and peer group comparisons to assist us in determining whether our executive compensation is appropriate in light of our compensation objectives and philosophy.

### Role of the Compensation Committee

The Compensation Committee of our board of directors sets our executive compensation policies and determines the amounts and elements of compensation for our executive officers. As set forth in the Compensation Committee's written charter, its responsibilities include establishing compensation policies for our directors and executive officers; reviewing and approving the Chief Executive Officer's annual compensation; approving employment agreements or arrangements with executive officers; administering our 2001 Equity Incentive Plan and 2001 Supplemental Equity Plan and approving grants under these 2001 Plans; and making recommendations regarding any other incentive compensation or equity-based plans. The Compensation Committee may delegate authority with respect to compensation matters to our executive officers.

A copy of the Compensation Committee charter is posted on our website, [www.kopin.com](http://www.kopin.com), under the heading Investors: Corporate Governance. Our Compensation Committee consisted of Mr. Collins, Chair and Mr. Chapman, each of whom is an independent director as determined by our board of directors, based upon the NASDAQ Rules and our independence guidelines.



**Role of the Compensation Consultant**

In making its determinations with respect to executive compensation, the Compensation Committee has periodically engaged the services of a compensation consultant to provide input on trends in executive compensation and to obtain an outside perspective on our executive compensation practices and assist with our peer group benchmarking analysis. In 2007 the Committee retained the services of Pearl Meyer & Partners, a Clark Consulting Practice (Pearl Meyer) to assist with its review of overall compensation for our executive officers. In 2009 and 2008, the Committee retained the services of Pearl Meyer for actuarial services related to the valuation of the Chief Executive Officer's employment contract in the event of a change of control.

**Compensation Determinations**

In making determinations with respect to amounts and elements of executive compensation, the Compensation Committee evaluates our overall performance during the year against annual budgets; evaluates the Chief Executive Officer and the Chief Financial Officer's achievements against the Board's expectations; obtains input from the Chief Executive Officer on the performance reviews of the other executive officers; evaluates the potential for future contributions by each executive to our long-term success; and periodically compares our executive compensation against a benchmarking analysis of a group of peer companies.

**Peer Group Benchmarking**

In establishing the total executive compensation for each year, including appropriate measures for performance bonus awards, the Compensation Committee periodically reviews compensation for executives in comparable positions at a peer group of other companies. The Compensation Committee does not believe a formal annual peer group assessment by an independent third party is necessary unless either internal factors, such as employee turn-over, or external factors, such as published reports in industry periodicals, indicate significant changes in executive compensation have taken place.

In 2007, Pearl Meyer assisted the Compensation Committee in selecting the peer group and preparing the peer group analysis. The Compensation Committee considered a peer group consisting of companies in two sub peer groups, semiconductor and display companies with comparable revenues and market capitalizations. The peer group included the following companies:

*Semiconductor Companies*

Advanced Analogic Tech	California Micro Devices Cp	Semitool Inc.
Anadigics	Emcore Corp.	Supertex Inc.
Applied Micro Circuits Corp.	Rudolph Technologies, Inc.	Techwell Inc.
Axt Inc.		Ultratech Inc.

*Display Companies*

- Cree
- Universal Display Corp.

The peer group may change from year to year depending on changes in the marketplace and our business focus.

Pearl Meyer's analysis involved a comparison of total compensation for each of our executives against that of executives in similar positions in the peer group companies, as well as an analysis of each component of compensation. The specific components of total compensation reviewed by Pearl Meyer included base salaries, target total cash payments (salary plus target bonus), actual total cash payments (salary plus bonus), long-term incentives and total direct compensation. The benchmarking data indicated that our compensation is more weighted to base pay and less to incentive pay as compared to the peer group.

Based on the next fiscal year's budgeted financial results, the evaluation and performance review process, the Compensation Committee members' personal experience and trends identified in the peer group benchmarking analysis described above, the Compensation Committee considers the amounts and elements of compensation for our executive officers, both for the past fiscal year and for the upcoming fiscal year in setting base salaries, cash bonus and equity award targets. For all executive officers other than our Chief Executive Officer and Chief Financial Officer, the Compensation Committee establishes and approves the base salary compensation based on recommendations from the Chief Executive Officer. With respect to compensation of our Chief Executive Officer and Chief Financial Officer, the Compensation Committee establishes and approves the compensation determinations based on the Compensation Committee's evaluation and performance reviews of our Chief Executive Officer and Chief Financial Officer.

### **Elements of Compensation**

We use three compensation and benefits elements to provide an overall competitive compensation and benefits package that is tied to creating shareholder value and supporting the execution of our business strategies, as follows:

Annual Base Salary;

Annual Cash Bonus Awards; and

Equity Awards.

The combination and allocation of the components and the target amount of each component is influenced by the role of the executive officer in Kopin, market practices, and the total value of all the compensation and benefits available to the individual executive officers. The Compensation Committee reviews and considers each component for each executive officer before making compensation decisions. Historically we have weighted the mix of compensation more towards base salary and long term equity incentive plans and to a lesser extent short term cash bonuses as discussed below.

#### ***Annual Base Salary***

We believe that establishing an appropriate level of annual base salary for our executives is an important element in retaining and motivating our executive officers. In determining base salaries for our executive officers, the Compensation Committee considers the responsibilities of each position and the skills and experience required for each job. The Compensation Committee's determinations are influenced heavily by the evaluations and performance reviews for each executive officer by our Chief Executive Officer, as discussed above. In addition, the Compensation Committee reviews the peer group benchmarking analysis if performed, and finally, reviews total compensation for reasonableness prior to making any final determinations.

In furtherance of our executive retention goals, we allocated a substantial portion of total cash compensation to our executives in the form of base salary. We historically have established a base salary for our executives that represent approximately eighty to ninety percent of their total annual cash payments, with cash bonus representing approximately ten to twenty percent.

#### ***Annual Cash Bonus Awards***

We believe that annual cash bonus awards are an important tool in motivating our executives but not the primary tool to attract, retain and motivate executives. We believe that there are larger companies that have a wider-range and more sophisticated reward programs which, due to our size, we can not offer. We believe our executive officers are drawn to a smaller company such as ours for the potential wealth that can be created by growing our company. This potential wealth is more likely created through our long-term incentive compensation plan. We therefore use cash bonus awards to provide some element of a more immediate reward to motivate our employees as the Company executes on its longer term goals.

### **Equity Awards**

We believe that including an equity-based incentive component of compensation is a critical tool for motivating our executives and certain employees. We believe that granting equity awards to our executives serves to align executive compensation with long-term stockholder value. By awarding executive officers with equity awards that vest over time, we believe that our executive officers will have a continuing stake in our long-term success.

We weight our total executive compensation towards restricted stock awards which either vest upon the achievement of certain milestones or vest over time. While our management can improve our financial performance through the sales of our current products, cost reduction efforts, process improvements and other short-term advancements, we believe that our executive officers' focus on long-term achievements, particularly increasing our product portfolio, will create the greatest stockholder value. We believe that by granting our executives meaningful levels of equity awards that vest both in the short and long term we will achieve the proper balance between incentivizing them to focus on the current fiscal year's results and longer-term strategies of the Company. In determining the size of each equity award granted to our executive officers, the Compensation Committee considers the amount previously awarded on an annual basis to the executive, the total value of unvested equity awards held by the executive, the executive's overall performance, our performance during the year and the dilution to the shareholders.

Historically we have issued equity awards to an employee upon the commencement of their employment and we typically issued equity awards to certain employees as part of the year end compensation practice. Awards issued as part of the year end compensation were typically issued in conjunction with either the annual incentive plan, which vested immediately upon achievement of certain milestones, or as a discretionary retention award which vested over a period of time. We have changed our philosophy in reaction to general U.S. industry concerns that annual incentive plans may result in actions which maximize the current year's operating results but may negatively impact succeeding years. Accordingly, we determine the number of equity awards that an officer may receive under the annual incentive based on the milestones achieved in the current fiscal year but to actually receive all of the equity awards the officer must remain employed by the Company through the following year.

### **2009 Compensation**

In order to meet the Company's objectives the Compensation Committee approved a compensation plan for 2009 which contained a combination of salary, cash bonus and incentive and retention restricted stock grants.

The following table shows the base salaries for the 2009 named executive officers:

<b>Officer</b>	<b>Salary</b>
Dr. Fan	\$ 495,000
Mr. Sneider	300,000
Dr. Tsauro	325,000
Dr. Choi	235,000
Mr. Hill	270,000

The 2009 Incentive Plan was designed to pay out approximately 35% of incentive amounts earned in cash and 65% in common stock of the Company. A participant could earn his or her incentive compensation if the product line he or she works for met its milestones even if the other product line did not meet its results. Corporate participants, including Drs. Fan and Choi and Mr. Sneider, would earn 50% of their incentive compensation based on the results of each product line.

The Total Bonus Goal column in the table below shows what the Officers were eligible to earn under the 2009 Incentive Plan. The Achieved column shows the amount under the 2009 Incentive Plan the officer is eligible to receive based on the level of performance metrics met in the 2009 Incentive Plan. However, the

amount the officer is eligible to receive is made up of both a cash component, which is earned immediately upon obtainment of the performance metrics, and restricted stock. Under the 2009 Incentive Plan 50% of the restricted stock vests in the year that the performance metrics are met and the remaining 50% vests at the end of the following year. The Restricted Stock Achieved column shows the number of shares that the officer is eligible to receive based on the level of performance metrics met and the Restricted Stock Unvested column shows the number of shares that will vest at the end of 2010 if they remained employed by the Company. Simply comparing the amounts achieved to the goals is not a complete indication of performance. The amounts listed under the Goal columns were the maximum amounts that could have been achieved if all milestones were met. In order to achieve the maximum goals the Company would have had to substantially exceed historical trends.

Officer	Total Bonus		Restricted Stock		
	Goal	Achieved	Goal	Achieved	Unvested
Dr. Fan	\$ 145,000	\$ 84,000	50,768	29,567	14,761
Mr. Sneider	\$ 72,000	\$ 35,000	25,280	12,178	6,080
Dr. Tsauro	\$ 83,000	\$ 16,000	29,184	5,428	2,710
Dr. Choi	\$ 56,000	\$ 29,000	19,659	10,041	5,013
Mr. Hill	\$ 66,000	\$ 50,000	23,183	17,394	8,684
Mr. Presz	\$ 54,000	\$ 15,000	18,960	5,324	2,658

Dr. Tsauro and Mr. Presz work in our display product line and the amounts they achieved were primarily the result of the increase in sales of our display products for military application. Mr. Hill, is Senior Vice President of our Gallium Arsenide operation and the amounts he achieved were primarily attributable to the operating results of our III-V product line which were positively impacted by an increase in the global sales of 3G phones. Dr. Fan, Mr. Sneider and Dr. Choi are corporate employees and 50% of the amount they achieved is based on the display product line results and 50% is based on the III-V product line results.

Finally, the Compensation Committee granted 50,000 shares of restricted stock to Dr. John Fan which vest upon the achievement of certain milestones related to the development of certain display products. Dr. Fan achieved those goals in 2009.

### **2010 Compensation**

In order to meet the Company's objectives the Compensation Committee approved a compensation plan for 2010 which was more heavily weighted towards incentive pay than in past years. As part of this plan, and in recognition of the current global economic conditions, all officers' base salaries were maintained at their 2009 levels.

On December 1, 2009, the Company's 2010 Incentive Plan became effective. The Company's 2010 Incentive Plan acts as an incentive plan for the fiscal year ending December 25, 2010. Pursuant to the 2010 Incentive Plan, the officers and eligible employees are eligible to earn incentive compensation if the Company achieves certain financial milestones, primarily revenue and operating income targets, as adopted by the Company's Compensation Committee. The purpose of the 2010 Incentive Plan is to further align management's and shareholder's interest by providing employees higher levels of compensation for meeting or exceeding the financial milestones. The 2010 Incentive Plan is designed to pay out approximately 35% of amounts earned in cash and 65% in common stock of the Company; however if the Company is unable to issue common stock the amounts earned may be paid out solely in the form of cash. A participant may earn his or her incentive compensation if the product line he or she works for meets its milestones and they remained employed with the Company through the required vesting period. Corporate participants, including Drs. Fan and Choi and Mr. Sneider, will earn 50% of their incentive compensation based on the results of each of our two product line. Any or all of the conditions under the 2010 Incentive Plan may be waived or changed by the Compensation Committee in the event of a change in control.

The table below shows examples of what the Officers may be eligible to earn under the 2010 Incentive Plan. Column A is the approximate cash amount if the minimum milestones are achieved, column B is an estimate of the maximum incentive compensation an officer could earn if all milestones are achieved, column C shows the number of shares of the Company's common stock which can be earned if all milestones are achieved and column D is an estimate of the total cash compensation an officer could earn if all milestones are achieved. If the product lines produce the same operating results in 2010 as they did in 2009, the incentive compensation will increase (decrease) for officers who are designated in the display products, III-V product line and corporate by up to \$58,000, \$29,000 and (\$25,000), respectively.

The total incentive compensation (column B) is computed as the sum of the incentive compensation paid in cash plus the value of the common stock earned under the 2010 Incentive Plan. The value of the common stock was computed as the maximum number of shares an officer could earn multiplied by \$4.35 (the closing price of the Company's stock on December 1, 2009). The value of the common stock is an approximation of the expense the Company would record through the 2010 Incentive Plan. The actual value to the Officer is dependent on the Company's common stock price on the day the common stock is earned. Column C below shows the number of shares of restricted stock the Company awarded on December 26, 2009:

Officer	A	B	C	D
Dr. Fan	\$ 100,000	\$ 170,954	24,845	\$ 62,878
Mr. Sneider	\$ 25,000	\$ 68,838	10,004	\$ 25,319
Dr. Tsaur	\$ 25,000	\$ 95,169	13,831	\$ 35,004
Dr. Choi	\$ 25,000	\$ 58,766	8,541	\$ 21,614
Mr. Hill	\$ 25,000	\$ 68,363	9,935	\$ 25,144
Mr. Presz	\$ 25,000	\$ 51,629	7,503	\$ 18,989

In addition to the officer's base compensation and the incentive plan the board of directors granted the following equity awards of which 50% vest on December 10, 2011 and 50% vest on December 10, 2013:

Officer	Shares
Dr. Fan	525,000
Mr. Sneider	75,000
Dr. Tsaur	60,000
Dr. Choi	45,000
Mr. Hill	45,000
Mr. Presz	55,000

The Compensation Committee further approved an incentive restricted stock award to Dr. Fan of 50,000 shares and to Mr. Sneider of 25,000 shares which can be earned if certain specific milestones are achieved. If the milestone is not achieved the shares will be forfeited. Although a time period to achieve the milestones was not stated it is anticipated the milestone would be achieved within twelve months.

#### **Perquisites**

We do not believe in providing extensive perquisites to our executive officers. Our healthcare, insurance, and other welfare and employee-benefit programs are the same for all eligible domestic employees, including executive officers, and include health and dental coverage, group term life insurance, disability programs and matching contributions to our 401(k) plan. We share the cost of health and welfare benefits with our employees, a cost that is dependent on the level of benefits coverage that each employee elects. The benefits provided to foreign employees are typically determined by the laws of the countries they reside in. We have no outstanding loans of any kind to our executive officers.



### ***Chief Executive Officer Compensation***

We have historically compensated our Chief Executive Officer more than the other executive officers due to our belief that his overall responsibilities are greater than our other officers and that his association with us has a greater impact on our perception and reputation. As a result, in addition to compensating our Chief Executive Officer more than other executive officers, we have also entered into an employment agreement with Dr. Fan.

### **Employment and Other Agreements**

We typically do not offer employment agreements and the only current employee with such an agreement is our Chief Executive Officer. The agreement with Dr. Fan will terminate on December 31, 2010 and in the event Dr. Fan is terminated without cause or in the event of a change in control and Dr. Fan's position, compensation or responsibilities change, Dr. Fan and his spouse will receive post-retirement monthly supplemental health benefits for the difference between cost of the coverage we provide and benefits provided by the U.S. government for ten years, severance pay of \$600,000 per year payable monthly for two years and his unvested stock awards will immediately vest. Furthermore, if the parties fail to extend or renew the agreement, we and Dr. Fan shall negotiate a mutually agreeable consulting agreement or retirement benefit. The agreement also contains covenants not to compete, non-solicitation clauses and our rights to inventions developed by Dr. Fan.

Our 2001 Plans provide for the acceleration of the vesting of unvested stock options and restricted stock awards in the event of a change in control.

### **Policies Regarding Stock Ownership and Related Matters**

We believe that by holding shares of our stock and options to purchase our common stock, our executives will have interests that are more closely aligned with those of our stockholders. Although we do not have a formal stock ownership policy, we encourage our executives to hold shares or vested options so that they share in the sentiments of our stockholders as our stock price increases or decreases.

We have an Insider Trading Policy that governs our executive officers, directors and other persons considered to be insiders under the policy. The policy imposes limits as to when and how our executives can engage in transactions in our securities and prohibits short sales of our common stock by all our personnel. All of our officers have established 10b5-1 plans with an independent broker. These plans typically govern the sale of the company's stock when the Company's stock prices meet certain levels. These plans may only be adjusted during certain times of the year with the Board of Director's approval. We do not currently have a policy that imposes restriction on our executives from entering into hedging transactions with respect to our stock.

### **Tax and Accounting Implications**

As part of its role, the Compensation Committee reviews and considers the deductibility of executive compensation under Section 162(m) of the Internal Revenue Code, as amended (the Code), which generally disallows a tax deduction to public companies for certain compensation in excess of \$1.0 million paid in any year to a company's chief executive officer and the four other most highly compensated officers. Certain compensation, including qualified performance based compensation, will not be subject to the deduction limitation if certain requirements are met. Although the Compensation Committee has not adopted any specific policy with respect to the application of Section 162(m), we generally seek to structure any long-term incentive compensation granted to our executive officers in a manner that is intended to avoid disallowance of deductions under Section 162(m). In 2009, 2008 and 2007, our Chief Executive Officer earned more than \$1.0 million in cash salary and bonus payments.

### ***Accounting for Stock-Based Compensation***

As discussed in our Annual Report on Form 10-K for the year ended December 26, 2009, the accounting for stock-based awards requires the measurement and recognition of compensation expense based on the fair value

of all share-based payment awards made to employees and directors, including stock options and employee stock purchases under employee stock purchase plans. We are required to account for share-based compensation transactions using a fair value method and recognize the related expense associated with share-based payments in our statement of operations. Stock-based compensation cost is measured at the accounting measurement date based on the fair value of the award and is recognized as expense over the service period, which generally represents the vesting period. The expense recognized over the service period is required to include an estimate of the awards that will be forfeited. Since 2004 we have primarily issued restricted stock awards and the fair value of the award is typically based on the closing price of our stock on the NASDAQ on the day of grant. Previously we primarily issued stock options and we determined the fair value of the stock option using a Black-Scholes-Merton option-pricing model that takes into account the stock price at the accounting measurement date, the exercise price, the expected life of the option, the volatility of the underlying stock and its expected dividends, and the risk-free interest rate over the expected life of the option. All employees are eligible to participate in our equity award program but the number of employees who actually participate annually has been reduced and does not typically included employees who are paid on an hourly basis or are below the level of Director.

**Compensation Committee Report**

Our Compensation Committee reviewed the Compensation Discussion and Analysis for the year ended December 26, 2009 and discussed this Compensation Discussion and Analysis with the Company's management. Based on this review and its discussions with management, the Compensation Committee recommended to the Company's board of directors that the Compensation Discussion and Analysis be included in this proxy statement and the 2009 Annual Report of the Company.

By the Compensation Committee of the board of directors of Kopin Corporation.

COMPENSATION COMMITTEE

Mort Collins, Chairperson

Andrew Chapman

### Named Executive Officer Summary Compensation Table

The following table summarizes the total compensation for the years ended December 26, 2009, December 27, 2008 and December 29, 2007, of those persons who served as our principal executive officer, our principal financial officer and our three most highly compensated executive officers for the fiscal year ended December 26, 2009 (Fiscal 2009). We refer to these individuals in this proxy as our named executive officers.

Name and Principle Position	Year	Salary (\$)	Bonus (\$)	Restricted Stock Awards (\$)(1)	Option Awards (\$)(1)	Non-equity Incentive Plan Compensation (\$)(2)	Change in Pension Value and Non-Qualified Deferred	All Other Compensation (\$)(4)	Total
							Compensation (\$)(3)		
John C.C. Fan  <i>President, Chief Executive Officer, Chairman of the board</i>	2009	\$ 495,000		\$ 1,807,296		\$ 29,567		\$ 4,935	\$ 2,336,797
	2008	\$ 495,000		\$ 344,008		\$ 70,403		\$ 4,875	\$ 1,333,858
	2007	\$ 495,000		\$ 800,908		\$ 100,000		\$ 4,175	\$ 1,578,190
Richard A. Sneider  <i>Treasurer and Chief Financial Officer</i>	2009	\$ 300,000		\$ 305,934		\$ 12,178		\$ 4,575	\$ 622,687
	2008	\$ 300,000		\$ 53,136		\$ 25,010		\$ 4,350	\$ 473,608
	2007	\$ 280,000		\$ 132,048		\$ 25,000		\$ 3,300	\$ 500,862
Boryeu Tsaaur  <i>Executive Vice President Display Operations</i>	2009	\$ 325,000		\$ 199,746		\$ 5,428		\$ 4,650	\$ 534,824
	2008	\$ 325,000		\$ 23,685		\$ 53,618		\$ 4,350	\$ 515,708
	2007	\$ 310,000		\$ 379,381		\$ 25,000		\$ 3,300	\$ 531,865
Daily S. Hill  <i>Vice President Government Programs and Special Projects</i>	2009	\$ 270,000		\$ 149,507		\$ 17,394		\$ 4,260	\$ 441,161
	2008	\$ 265,000		\$ 75,896		\$ 0		\$ 4,260	\$ 386,778
	2007	\$ 240,000		\$ 195,000		\$ 25,000		\$ 3,300	\$ 376,728
Michael Presz  <i>Vice President of Government Programs</i>	2009	\$ 225,000		\$ 191,329		\$ 5,324		\$ 4,350	\$ 426,003
	2008	\$ 225,000		\$ 23,232		\$ 41,789		\$ 4,125	\$ 294,146
	2007	\$ 210,000		\$ 114,505		\$ 25,000		\$ 3,975	\$ 353,480

- (1) The amounts in the column reflect the number of shares on the grant date multiplied by the closing share price of the Company's stock as listed on NASDAQ. For shares issued subject to the 2010 Incentive Plan or other performance conditions, the number of shares was first multiplied by a probability estimate that the performance conditions of the 2010 Incentive Plan would be met. If the all of the performance conditions are met the value of the 2009 restricted stock awards would be as follows:

Officer	Restricted Stock Award Value
John C.C. Fan	\$ 1,989,826
Richard A. Sneider	\$ 390,017
Boryeu Tsaaur	\$ 250,365
Daily S. Hill	\$ 185,867
Michael Presz	\$ 218,788

For the years 2008 and 2007, the actual number of shares earned under the incentive plans in place during those years was used in the calculation. See notes 1 and 5 of the consolidated financial statements, regarding assumptions underlying valuation of equity awards. The amounts shown under the year 2007 were proposed by the Compensation Committee on December 10, 2007, however, the Company was delinquent in the filing of its Form 10-K because of a review of its historical equity award granting practices and therefore a condition of the award was that the Company becomes compliant with its periodic filing requirements. The Company achieved compliance on April 3, 2008 and the equity awards were granted. On December 2, 2008 the Compensation Committee granted Dr. John Fan 75,000 and 50,000 shares of restricted stock subject to remaining with the Company for four years and the Company's display product line meeting certain product development milestones, respectively. In addition, these grants were subject to the Company filing its Form 10-K for the year ended December 27, 2008. The Company filed its Form 10-K for the 2008 fiscal year end on March 10, 2009. For the purposes of this table the Company is showing the equity awards that were subject to the Company filing its Form 10-K in the year the Compensation Committee recommended the terms of the grant and not in the year that the grant actually occurred as this reflects the normal year end compensation practices of the Company.

- (2) The amounts reflect cash bonus payments earned with respect to annual incentive plans for services performed in 2009, 2008 or 2007.  
(3) We do not maintain any pension or non-qualified deferred compensation plan.

Edgar Filing: KOPIN CORP - Form DEF 14A

- (4) Amounts represent the Company's matching contributions under the Company's 401(k) Plan ranging from \$3,450 to \$3,675 per year and premiums paid for life insurance.

## Grants of Plan-Based Awards for 2009

The following table sets forth information relating to restricted stock granted pursuant to our 2001 Equity Incentive and 2001 Supplemental Plans and annual performance bonuses awarded during the year ended December 26, 2009 to each of our named executive officers:

Name	Grant Date	Estimated Future Payouts under Non-Equity Incentive Plan Awards			Estimated Future Payouts Under Equity Incentive Plan Awards			All other Stock Awards: Number of Shares or Units (#)	All Other Awards: Number of Securities Underlying Options (#)	Exercise or Base Price of Awards (\$/sh)(6)	Grant Date Fair Value of Stock Awards
		Threshold (\$)	Target (\$)	Maximum (\$)	Threshold (#)	Target (#)	Maximum (#)				
John C.C. Fan (1)	12/1/09		\$ 62,878	\$ 100,000			24,845		\$ 4.35	\$ 34,296	
John C.C. Fan (2)	12/1/09						50,000		\$ 4.35	\$ 108,750	
John C.C. Fan (3)	12/1/09						175,000		\$ 4.35	\$ 761,250	
John C.C. Fan (4)	4/28/09						350,000		\$ 2.58	\$ 903,000	
John C.C. Fan(5)	3/10/09						50,000		\$ 1.72	\$ 86,000	
John C.C. Fan(5)	3/10/09						75,000		\$ 1.72	\$ 129,000	
Richard Sneider(1)	12/1/09		\$ 25,000	\$ 25,319			10,004		\$ 4.35	\$ 13,809	
Richard Sneider (2)	12/1/09						25,000		\$ 4.35	\$ 54,375	
Richard. Sneider (3)	12/1/09						25,000		\$ 4.35	\$ 108,750	
Richard. Sneider (4)	4/28/09						50,000		\$ 2.58	\$ 129,000	
Boryeu Tsaur (1)	12/1/09		\$ 25,000	\$ 35,004			13,831		\$ 4.35	\$ 19,092	
Boryeu Tsaur(3)	12/1/09						20,000		\$ 4.35	\$ 87,000	
Boryeu Tsaur (4)	4/28/09						40,000		\$ 2.58	\$ 103,200	
Daily S. Hill (1)	12/1/09		\$ 25,000	\$ 25,144			9,935		\$ 4.35	\$ 13,314	
Daily S. Hill (3)	12/1/09						15,000		\$ 4.35	\$ 65,250	
Daily S. Hill (4)	4/28/09						30,000		\$ 2.58	\$ 77,400	
Michael Presz (1)	12/1/09		\$ 18,989	\$ 25,000			7,503		\$ 4.35	\$ 10,357	
Michael Presz (3)	12/1/09						25,000		\$ 4.35	\$ 108,750	
Michael Presz (4)	4/28/09						30,000		\$ 2.58	\$ 77,400	

- On December 1, 2009, the Compensation Committee approved an incentive plan under which each of our executive officers listed above will earn shares of our common stock and cash bonuses if the Company achieves certain financial milestones listed in the Company's 2010 Incentive Plan. A prorated number of shares and cash bonuses can be earned if some but not all of the milestones are achieved. If they do not meet any of the milestones all of shares will be forfeited and none of the cash bonuses will be paid. The amounts in the Target column and Maximum columns represent the minimum and maximum cash bonus that can be earned, respectively. The share amount represents the maximum number of shares of our common stock which can be earned.
- On December 1, 2009 the Compensation Committee approved an incentive restricted stock award to Dr. Fan and Mr. Sneider which can be earned if certain specific milestones are achieved. If the milestone is not achieved the shares will be forfeited.
- On December 1, 2009 the Compensation Committee approved retention stock awards which vest 50% if the employee is employed by the Company through December 10, 2011 and the remaining vests on December 10, 2013 if the employee remains employed through 2013.
- On April 28, 2009 the Compensation Committee approved retention stock awards which vest 50% if the employee is employed by the Company through December 10, 2011 and the remaining vests on December 10, 2013 if the employee remains employed through 2013.
- On December 2, 2008, the Compensation Committee approved a retention grant to Dr. Fan of 75,000 shares of our common stock which vests over 4 years subject to the Company filing its Form 10-K for the year ended December 26, 2009, and there being sufficient shares in our equity award plans for such grant. On or about March 10, 2009 the Company filed its Form 10-K and the grant was made.
- Represents the closing stock price of the Company on the day of grant.

#### Narrative Disclosure to Summary Compensation Table and Grants of Plan-Based Awards Table

The compensation paid to our named executive officers in 2009 summarized in the Summary Compensation Table was determined by our Compensation Committee. We enter into agreements with our named executive officers that define the criteria to earn their performance bonuses, terms of their restricted stock awards and for our Chief Executive Officer post-employment compensation. The material terms of these agreements are discussed under the caption Compensation Discussion and Analysis Employment and Other Agreements and under the caption Executive Employment Agreement /Other Potential Post-Employment Compensation below.

The restricted stock awards granted to our named executive officers in 2009 summarized in the table Grants of Plan-Based Awards for 2009 were granted pursuant to our 2001 Equity Incentive Plan. The awards were granted by the Compensation Committee on April 28, 2009 and December 1, 2009. Some or all of the 24,845 shares of restricted stocks awarded to Dr. Fan and the awards to the other named executives vest upon the achievement of certain milestones in fiscal year 2010. The number of shares of restricted shares issued to our officers under the 2010 Incentive Plan was approximately half of what was issued under the 2009 Incentive Plan which reflects the increase in value of the Company's stock from the previous year. The Compensation Committee also awarded Dr. Fan 175,000 and 375,000 shares of restricted stock on April 28, 2009 and December 1, 2009, respectively and also made awards to the other named officers. These awards vest 50% on each of December 10, 2011 and December 10, 2013 provided the officer remains employed with the company through each of those dates, respectively. Each share of restricted stock granted pursuant to these awards entitles the holder to the same rights as a holder of unrestricted stock, including voting and dividend rights, except the holder does not have the right to sell the restricted stock until it has vested.

### Perquisites and Benefits

We provide benefit programs to executive officers and to other employees. The board of directors and executive management believe that perquisites for executive officers should be extremely limited in scope and value. As a result, Kopin has historically given nominal perquisites. The following table generally identifies such benefit plans and who may be eligible to participate.

Benefit Plan	Executive Officers	Certain Managers	Full Time Domestic Employees	Full Time Foreign Employees
401(k)	Yes	Yes	Yes	Not Offered
Defined Contribution to Retirement Plan	Not Offered	Not Offered	Not Offered	Yes(1)
Medical/Dental/ Vision Plans	Yes	Yes	Yes	Not Offered
Life and Disability Insurance(2)	Yes	Yes	Yes	Not Offered
Short Term Incentive Plan	Yes(3)	Yes(3)	Yes(4)	Not Offered
Equity Incentive Plan	Yes	Yes	Yes	Not Offered
Automobile Allowance	Not Offered	Not Offered	Not Offered	Not Offered
Income Tax Planning services	Not Offered	Not Offered	Not Offered	Not Offered
Supplemental Early Retirement Plan	Not Offered	Not Offered	Not Offered	Not Offered
Employee Stock Purchase Plan	Not Offered	Not Offered	Not Offered	Not Offered
Deferred Compensation Plan	Not Offered	Not Offered	Not Offered	Not Offered
Supplemental Early Retirement Plan	Not Offered	Not Offered	Not Offered	Not Offered
Employee Stock Ownership Plan	Not Offered	Not Offered	Not Offered	Not Offered
Defined Benefit Pension Plan	Not Offered	Not Offered	Not Offered	Not Offered
Financial Planning Allowance	Not Offered	Not Offered	Not Offered	Not Offered
Country Club Memberships	Not Offered	Not Offered	Not Offered	Not Offered
Dwellings for Personal Use(5)	Not Offered	Not Offered	Not Offered	Not Offered

- (1) Kopin's Korean subsidiary, Kowon, contributes to a government sponsored retirement program for its employees.
- (2) Kopin pays for life insurance equal to an employee's base salary for domestic employees.
- (3) Kopin has a short term incentive plan pursuant to which certain officers and certain managers are paid a bonus if they remain with the company during the next fiscal year.
- (4) The board of directors has historically provided for a discretionary bonus award at the end of the fiscal year.
- (5) Kopin does not provide dwellings for personal use other than for temporary job relocation.

### Executive Employment Agreement /Other Potential Post-Employment Compensation

As discussed above in our Compensation Discussion and Analysis, certain of our named executive officers and other employees have potential post-employment benefits. Our 2001 Plans have provisions which may result

in the acceleration of vesting of certain equity awards as a result of a change in control. In addition, the employment agreement with our Chief Executive Officer provides for certain post-employment benefits. The table below summarizes the effects on the compensation of our named executive officers as if the termination of employment or change of control provisions of the 2001 Plans and employment agreement were triggered on December 26, 2009.

Name	Value of Equity Awards if a Change in Control Occurs on 12/26/09(1)	Health Care Benefits(2)	Severance Payments(2)
John C.C. Fan	\$ 3,289,587	\$ 43,700	\$ 1,200,000
Richard A. Sneider	\$ 599,212		
Boryeu Tsaur	\$ 508,597		
Daily S. Hill	\$ 363,522		
Hong Choi	\$ 363,813		

- (1) Our 2001 Plans provide for the acceleration of the vesting of our equity awards in the event of a change in control of the Company. The amounts in this column represent the value the executive officer would have received if there were a change of control of the Company on December 26, 2009, and his unvested restricted stock awards as of December 26, 2009 became vested. The restricted stock award value is computed by multiplying the number of unvested shares of restricted stock at December 26, 2009 by the closing price of the Company's Common Stock on the NASDAQ on December 26, 2009 (\$4.28). There were no unvested stock options as of December 26, 2009.
- (2) The Company has entered into an employment agreement with the Company's Chairman and Chief Executive Officer, Dr. John C.C. Fan, pursuant to which the Company has agreed to employ Dr. Fan as Chief Executive Officer. The agreement will terminate on December 31, 2010. In the event Dr. Fan is terminated without cause or in the event of a change in control of the Company and Dr. Fan's position, compensation or responsibilities change Dr. Fan and his spouse will receive post-retirement monthly supplemental health benefits for the difference between cost of the coverage the Company provides and benefits provided by the U.S. government for ten years (the Health Care Benefit), severance pay of \$600,000 per year payable monthly for two years and his unvested stock awards will immediately vest. Furthermore, if the parties fail to extend or renew the employment agreement, the Company and Dr. Fan shall negotiate a mutually agreeable consulting agreement or retirement benefit. The employment agreement also contains covenants not to compete, non-solicitation clauses and the rights of the Company to inventions by Dr. Fan. The present value of the Health Care Benefit for Dr. Fan and his wife if triggered under this agreement is estimated to be \$43,700 assuming the Company retains its current level of health care benefits.

**OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END**

The following table discloses information concerning stock options and unvested stock awards held by our named executive officers as of December 26, 2009 pursuant to the Company's 2001 plans. Market value information is determined by multiplying the number of shares by the closing price of the Company's common stock on NASDAQ on the last trading day of our 2009 fiscal year (\$4.28).

Name	Option Awards					Stock Award			
	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Yet Vested (\$)	Equity Incentive Plan Awards: Number of Shares, Units or Other Rights That Have Not Vested (#)	Equity Incentive Plan Awards; Market or Payout Value of Unearned Shares, Units or Other Rights That have Not Vested (\$)
John C.C. Fan	160,000			\$ 27.75	4/12/2010				
John C.C. Fan	150,000			\$ 13.00	11/30/2010				
John C.C. Fan	250,000			\$ 12.16	4/17/2011				
John C.C. Fan	35,741			\$ 14.60	9/17/2011				
John C.C. Fan	400,000			\$ 4.64	12/04/2012				
John C.C. Fan	200,000			\$ 5.29	12/11/2013				
John C.C. Fan	100,000			\$ 10.00	12/27/2014				
John C.C. Fan	100,000			\$ 3.75	12/27/2014				
John C.C. Fan						783,356	\$ 3,352,762		
Richard A. Sneider	60,000			\$ 27.75	4/12/2010				
Richard A. Sneider	50,000			\$ 13.00	11/30/2010				
Richard A. Sneider	50,000			\$ 12.16	4/17/2011				
Richard A. Sneider	16,622			\$ 14.60	9/17/2011				
Richard A. Sneider	70,000			\$ 4.64	12/4/2012				
Richard A. Sneider	25,000			\$ 5.29	12/11/2013				
Richard A. Sneider	25,000			\$ 3.75	12/27/2014				
Richard A. Sneider						146,084	\$ 625,238		
Boryeu Tsauro	80,000			\$ 27.75	4/17/2010				
Boryeu Tsauro	40,000			\$ 13.00	11/30/2010				
Boryeu Tsauro	40,000			\$ 12.16	4/17/2011				
Boryeu Tsauro	20,000			\$ 14.60	9/17/2011				
Boryeu Tsauro	70,000			\$ 4.64	12/4/2012				
Boryeu Tsauro	25,000			\$ 5.29	12/11/2013				
Boryeu Tsauro	25,000			\$ 3.75	12/27/2014				
Boryeu Tsauro						121,541	\$ 520,195		
Daily S. Hill	5,981			\$ 14.60	9/17/2011				
Daily S. Hill	25,000			\$ 4.64	12/4/2012				
Daily S. Hill	9,322			\$ 5.29	12/11/2013				
Daily S. Hill	15,000			\$ 3.75	12/27/2014				
Daily S. Hill						93,619	\$ 400,688		



Name	Option Awards					Stock Award		Equity Incentive Plan Awards; Market or Payout Value of Unearned Shares, Units or Other Rights That have Not Vested (\$)
	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unearned Options (#)	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Yet Vested (#)	Equity Incentive Plan Awards: Number of Shares, Units or Other Rights That Have Not Vested (#)
Michael Presz	30,000			\$ 10.25	11/30/2010			
Michael Presz	20,000			\$ 5.04	4/17/2011			
Michael Presz	12,000			\$ 9.39	9/17/2011			
Michael Presz	18,000			\$ 4.64	12/4/2012			
Michael Presz	4,000			\$ 3.75	12/27/2014			
Michael Presz						87,661	\$ 375,189	

**OPTION EXERCISES AND STOCK VESTED IN 2009**

The following table discloses information for each of our named executive officers regarding the exercise of stock option awards and the vesting of certain stock awards as of the end of our 2009 fiscal year.

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise \$(1)	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting \$(2)
John C.C. Fan			222,489	\$ 905,994
Richard A. Sneider			28,017	\$ 98,689
Boryeu Tsaur			77,957	\$ 286,636
Daily S. Hill	15,000	\$ 19,200	30,000	\$ 127,700
Michael Presz			26,638	\$ 83,692

- (1) Value realized equals number of shares sold from options exercised multiplied by the difference between the sales price and the stock option exercise price.
- (2) Value realized equals number of shares vested multiplied by the closing price of our common stock on the NASDAQ Global Market on the day the shares vested.

**Equity Compensation Plan Information**

The following table sets forth information as of December 26, 2009 about shares of our common stock outstanding and available for issuance under our existing equity compensation plans.

<b>Plan Category</b>	<b>Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)</b>	<b>Weighted-average exercise price of outstanding options, warrants and rights (b)</b>	<b>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)</b>
Equity compensation plans approved by security holders(1)	3,660,334	\$ 11.00	546,051(3)
Equity compensation plans not approved by security holders(2)	677,568	\$ 8.61	246,038
<b>Total</b>	<b>4,337,902</b>	<b>\$ 10.90</b>	<b>792,089</b>

(1) Consists of the 1992 Stock Option Plan and 2001 Equity Incentive Plan.

(2) Consists solely of the 2001 Supplemental Equity Incentive Plan, which did not require the approval of, and was not approved by, our stockholders.

(3) Options available under the 2001 Equity Incentive Plan.

**The 2001 Supplemental Equity Incentive Plan**

The Supplemental Plan was adopted by the board in March 2001. The Supplemental Plan is a non-stockholder approved plan (as permitted under NASD rules and regulations applicable at the time of adoption by the board). The Supplemental Plan is intended to be a broadly based plan within the meaning of NASD rules and regulations applicable at the time of adoption by the board. The Supplemental Plan is not intended to be an incentive stock option plan within the meaning of Section 422 of the Code. The Supplemental Plan allows for the issuance of up to 1,300,000 options to acquire our stock or shares of restricted stock or stock grants. The purpose of the Supplemental Plan is to encourage ownership of our common stock by our employees, consultants, advisors and directors and our affiliates and to provide additional incentive for them to promote the success of our business. The Supplemental Plan provides for the grant of non-qualified stock options or restricted stock awards or stock grants to employees (including officers, directors, advisors and consultants). The Supplemental Plan will expire on April 18, 2011, unless earlier terminated by the board.

**Director Compensation**

Our board approved compensation for outside directors of an annual retainer of \$15,000 and \$2,000 per meeting attended, including any special meeting not held on the same day as a regularly scheduled meeting of the board. Each non-employee Director is also entitled to receive an initial restricted stock award for 10,000 shares of our common stock on the date of his or her initial election to the board and a subsequent annual restricted stock award grant for 10,000 shares of our common stock. We also pay expenses for attendance at meetings of the board and committees thereof.

The following table sets forth certain information regarding the compensation earned by or awards to each non-employee director who served on our board of directors in the 2008 fiscal year. Dr. Fan, who is an employee of Kopin, is not compensated for his services as a director.

**Director Summary Compensation Table for 2009**

**DIRECTOR COMPENSATION**

Name	Fees Earned or Paid in Cash	Stock Awards(1)	Option Awards(2)	Non-Equity Incentive Compensation(3)	Change in Pension Value and Nonqualified Deferred Compensation Earnings(3)	All Other Compensation(3)	Total
James K. Brewington(4)	\$ 27,000	\$ 25,800					\$ 52,800
David E. Brook(5)	\$ 27,000	\$ 25,800					\$ 52,800
Andrew H. Chapman(5)	\$ 27,000	\$ 25,800					\$ 52,800
Morton Collins(5)	\$ 25,000	\$ 25,800					\$ 50,800
Chi Chia Hsieh(6)	\$ 25,000	\$ 25,800					\$ 50,800
Michael J. Landine(7)	\$ 27,000	\$ 25,800					\$ 52,800

- (1) Each Board of Director received their annual restricted stock grant of 10,000 shares which vests 25% on the anniversary of the grant if the person is still a member of the Board of Directors. The amounts in the column was determined by multiply the number of shares of restricted common stock granted by the closing price of the Company's common stock as listed on the NASDAQ on the day of grant. The 2009 grant occurred on April 28, 2009 and the closing price of the Company's stock was \$2.58.
- (2) There were no stock options issued in 2009
- (3) No non-equity incentive compensation, pension, non qualified deferred compensation or other compensation payments were made as compensation for director services in fiscal year 2009 or are contemplated under our current compensation plan.
- (4) The Director has 30,000 shares of restricted stock awards at December 26, 2009.
- (5) The Director has 27,500 restricted stock awards and 91,000 stock option awards outstanding at December 26, 2009.
- (6) The Director has 27,500 restricted stock awards and 107,000 stock option awards outstanding at December 26, 2009.
- (7) The Director has 27,500 restricted stock awards and 65,000 stock option awards outstanding at December 26, 2009.

**Audit Committee Report**

The Audit Committee of the board currently consists of Andrew H. Chapman, Morton Collins and Michael J. Landine, each of whom the board has determined is independent under applicable SEC and NASDAQ Rules. The board also has determined that Mr. Landine is an audit committee financial expert under applicable SEC rules and regulations.

The purpose of the Audit Committee is to assist the board in its general oversight of the Company's financial reporting, internal controls and audit functions. The Audit Committee charter, which is available at the Company's website at [www.kopin.com](http://www.kopin.com), under the heading Investors: Corporate Governance, describes in greater detail the full responsibilities of the Committee.

Management is responsible for the preparation, presentation and integrity of the Company's financial statements; accounting and financial reporting principles; establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rule 13a-15(e)); establishing and maintaining internal control over financial reporting (as defined in Exchange Act Rule 13a-15(f)); evaluating the effectiveness of disclosure

controls and procedures; evaluating the effectiveness of internal control over financial reporting; and evaluating any change in internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, internal control over financial reporting.

Deloitte & Touche LLP ( Deloitte ), the Company s independent registered public accounting firm, has been engaged to perform an independent audit of the consolidated financial statements and express an opinion on the conformity of those financial statements with accounting principles generally accepted in the United States of America and also express an opinion on the effectiveness of the Company s internal control over financial reporting.

The Audit Committee has reviewed and discussed the consolidated financial statements with management and Deloitte, the Company s independent public registered accounting firm.

During the course of the 2009 fiscal year, management completed the documentation, testing and evaluation of the Company s system of internal control over financial reporting in response to the requirements set forth in Section 404 of the Sarbanes-Oxley Act of 2002 and related rules and regulations. The Audit Committee was kept apprised of the progress of the evaluation and provided oversight and advice to management during this process. In connection with this oversight, the Audit Committee received periodic updates provided by management and Deloitte at each regularly scheduled Audit Committee meeting. At the conclusion of the process, management provided the Audit Committee with, and the Audit Committee reviewed, a report on the effectiveness of the Company s internal control over financial reporting. The Committee also reviewed the report of management contained in the Company s Annual Reports on Form 10-K for the fiscal year ended December 26, 2009 filed with the SEC, as well as Deloitte s Reports of Independent Registered Public Accounting Firm included in the Company s Annual Report on Form 10-K related to its audit of (i) the consolidated financial statements and financial statement schedule, and (ii) the effectiveness of internal control over financial reporting for the year ended December 26, 2009. The Audit Committee continues to oversee the Company s efforts related to its internal control over financial reporting and management s preparations for the evaluation in fiscal year 2010.

The Audit Committee has discussed with Deloitte the matters required to be discussed by Statement on Auditing Standards No. 61, as amended, Communication with Audit Committees and PCAOB Auditing Standard No. 5, An Audit of Internal Control Over Financial Reporting Performed in Conjunction with an Audit of Financial Statements. In addition, Deloitte has provided the Audit Committee with the written disclosures and the letter required by the Independence Standards board Standard No. 1, as amended, Independence Discussions with Audit Committees, and the Audit Committee has discussed with Deloitte that firm s independence.

Based on its review and the discussion noted above, the Audit Committee recommended to the board that the Company s Consolidated Financial Statements for the fiscal year 2009 be included in the Company s Annual Report on Form 10-K for the 2009 fiscal year for filing with the SEC.

Audit Committee

Michael Landine, Chairperson

Andrew H. Chapman

Mort Collins

**PROPOSAL 2**

**APPROVAL OF 2010 EQUITY INCENTIVE PLAN**

We currently have in place one stockholder approved equity incentive plan, our 2001 Equity Incentive Plan (the "Prior Plan"). Our ability to make grants under the Prior Plan will expire on April 18, 2011. In light of the upcoming expiration of the Prior Plan, the Board of Directors on March 12, 2010, approved and recommends that you approve the Company's proposed 2010 Equity Incentive Plan (the "2010 Stock Plan"). If the 2010 Stock Plan is adopted, no further grants of awards will be made under the Prior Plan and any shares previously reserved for issuance under the Prior Plan will become available for issuance under the 2010 Stock Plan as of the date of approval of the Plan by the Company's stockholders, which is expected to be on or about April 29, 2010.

The purpose of the 2010 Stock Plan is to encourage ownership of the Company's common stock by key employees and to provide additional incentive for them to promote the success of the Company's business. The Board of Directors believes that the 2010 Stock Plan:

Aligns the long-term interests of key employees and stockholders by creating a direct link between key employee compensation and stockholder return;

Enables key employees to develop and maintain a substantial stock ownership in the Company; and

Provides incentives for key employees to contribute to the success of the Company.

The 2010 Stock Plan is being submitted to stockholders for approval. Your Board of Directors believes it is in the best of interest of the Company and its stockholders to approve the 2010 Stock Plan.

**Summary of the 2010 Stock Plan**

The key features of the 2010 Stock Plan are summarized below. This summary may not contain all of the information that is important to you. The complete text of the 2010 Stock Plan is attached as Appendix A.

*Administration.* The Compensation Committee of the Board of Directors has full power and authority to administer and interpret the 2010 Stock Plan.

*Eligibility.* Participants in the 2010 Stock Plan may be employees, officers, directors and consultants of the Company or its affiliates.

*Term.* Awards may be granted under the 2010 Stock Plan at any time in the period commencing on the date of approval of the Plan by the Company's stockholders, and ending on the issuance of all of the shares of stock subject to the Plan. Incentive stock options may only be granted within ten years of the Board's approval of the 2010 Stock Plan.

*Shares Available.* The number of shares of common stock that may be issued pursuant to awards under the 2010 Stock Plan (including incentive stock options) may not exceed 1,400,000 shares of common stock, *plus* (1) the number of shares of common stock which are available for grant under the Prior Plan as of April 29, 2010, (2) the number of shares of common stock which were the subject of awards outstanding under the Prior Plan as of April 29, 2010 ("Prior Plan Awards") and, after April 29, 2010 are forfeited, terminated, cancelled or expire, and (3) the number of shares of common stock delivered to the Company either in exercise of a Prior Plan Award or in satisfaction of tax withholding obligations in respect of Prior Plan Awards. In no event shall the number of shares of stock covered by options or other awards granted to any one person in any one calendar year exceed 50% of the aggregate number of shares of stock subject to the 2010 Stock Plan.

*Award Types.*

Stock-Based Awards. In recent years, the Compensation Committee has principally granted restricted stock awards under the Prior Plan. Stock grants and restricted stock awards may be granted under the 2010 Stock Plan.



A stock grant is a grant of shares of common stock not subject to restrictions or other forfeiture conditions and may be awarded only in limited circumstances as provided in 2010 Stock Plan. A restricted stock award is an award of common stock subject to forfeiture. Restricted stock grants are generally awarded subject to vesting restrictions, such as remaining with the Company for a predetermined period of time, the achievement of performance goals, or a combination of the two. During the vesting period of a restricted stock award, unless otherwise provided by the Committee the participant has the right to receive dividends and to vote the shares, but any dividends or other distributions payable in shares of stock or other securities of the Company will constitute additional restricted stock, subject to the same risk of forfeiture as the shares of restricted stock in respect of which such shares of stock or other securities are paid.

**Stock Option Awards.** Options granted under the 2010 Stock Plan may be incentive stock options, which qualify for favorable tax treatment for the option holder, or non-statutory stock options. Incentive stock options may only be granted to employees of the Company or a subsidiary. The exercise price for incentive stock options must be at least the fair market value of the Company's common stock on the grant date. The exercise price for non-qualified stock options will be determined by the Compensation Committee. The exercise price can be paid in cash or check, or, subject to the Compensation Committee's sole discretion and approval, in the Company's common stock, on a net exercise basis, or by promissory note if allowed by applicable law. Generally, options are not transferable other than by will or the laws of descent and distribution and may be exercised during the participant's life only by the participant or a guardian or legal representative. Non-statutory stock options may be transferred, other than for value, to a member of the optionee's immediate family or to certain trusts. All unexercised incentive stock options terminate when determined by the Compensation Committee, but in no event after the 10th anniversary of grant (or on the 5th anniversary of grant if the holder is a ten percent owner of the Company).

***Change-in-Control.*** Unless otherwise determined by the Compensation Committee, generally upon a change-in-control, all outstanding awards vest and all restrictions on the awards lapse.

***Amendment and Termination.*** The Board may amend the 2010 Stock Plan at any time but no amendment may deprive any person of rights under the 2010 Stock Plan without that person's consent. Without stockholder approval, no amendment may (A) increase the number of shares of common stock which may be issued under the 2010 Stock Plan, (B) change the description of eligible participants, or (C) make any other change for which stockholder approval is required by law or the rules of any relevant stock exchange.

***No repricing.*** In addition to the amendment provisions described above, without stockholder approval awards may not be repriced, that is, the terms of options may not be amended to reduce their exercise or base price, and options may not be cancelled in exchange for cash or options with an exercise price that is less than the exercise price of the original options or other awards.

#### **Federal Income Tax Consequences of Awards.**

This summary of the federal income tax consequences on participants in the 2010 Stock Plan is not comprehensive and is based on laws and regulations in effect on January 1, 2010, which are subject to change. This summary is only intended for the information of stockholders considering how to vote. Participants in the 2010 Stock Plan should consult their own tax advisors as to the tax consequences of participation.

***Restricted Stock and Stock Grants.*** Awards in cash and common stock are generally taxable as compensation to the participant at the time of payment. Awards of restricted stock do not constitute taxable income to the participant until such time as the restrictions lapse, unless the participant elects to realize taxable ordinary income in the year of award in an amount equal to the fair market value of the restricted stock award, determined without regard to the restrictions. Any interest and dividend equivalents earned on awards will also be taxed as compensation to the participant. Amounts taxable as compensation are subject to withholding and employment taxes.

*Incentive Stock Options.* Except as noted at the end of this paragraph, there are no federal income tax consequences to a participant upon grant or exercise of an incentive stock option. If the participant holds shares of common stock purchased upon exercise of an incentive stock option for at least two years after the grant date and at least one year after the exercise date, the subsequent sale of common stock will give rise to a long-term capital gain or loss to the participant. If the participant sells the shares of common stock before the later of two years after the grant date or one year after the exercise date, the participant will recognize ordinary income equal to the difference between the lower of fair market value at the exercise date or sale date and the option exercise price, and any additional gain or loss will be a capital gain or loss. Some participants may have to pay alternative minimum tax in connection with exercise of an incentive stock option.

*Nonstatutory Stock Options.* Generally, there are no federal income tax consequences to the participant upon grant of a nonstatutory stock option. Upon the exercise of a nonstatutory stock option, the participant will recognize ordinary income equal to the amount, if any, by which the fair market value of the common stock acquired upon the exercise of the option exceeds the exercise price. A sale of common stock so acquired will give rise to a capital gain or loss equal to the difference between the fair market value of the common stock on the exercise and sale dates.

*Company Deduction; Qualified Performance-Based Awards.* The Company generally may deduct any compensation or ordinary income recognized by the recipient of an award under the 2010 Stock Plan when recognized. However, the Company may not deduct as compensation expense more than \$1 million paid in any tax year to certain senior executives. This deduction limitation does not apply to certain types of compensation, including qualified performance-based compensation. While not all grants to the relevant senior executives are required to be performance based, for compensation to qualify as performance-based, the Company must obtain stockholder approval of the business criteria on which the performance goals will be set by the Compensation Committee for awards to these senior executives. Your approval of the 2010 Stock Plan is intended to constitute that approval. The 2010 Stock Plan provides that performance goals set by the Compensation Committee with respect to awards to these executives which the Compensation Committee intends to be performance-based compensation may be based only on one or more of the following business criteria:

cash flow (before or after dividends)	earnings per share (including without limitation, earnings before interest, taxes, depreciation and amortization)
stock price	return on equity
stockholder return or total stockholder return	return on capital (including, without limitation, return on total capital or return on invested capital)
return on investment	return on assets or net assets
market capitalization	debt leverage (debt to capital)
sales or net sales	backlog
income, pre-tax income or net income	operating income or pre-tax profit
operating profit, net operating profit or economic profit	gross margin, operating margin or profit margin
return on operating revenue or return on operating assets	economic value added
general and administrative expenses	operating ratio
customer service	revenue
market share improvement	operating revenue
cash from operations	



*Deferred Compensation.* For purposes of the foregoing summary of federal income tax consequences, we assumed that no award under the 2010 Stock Plan will be considered deferred compensation as that term is defined for purposes of federal tax legislation governing nonqualified deferred compensation arrangements (Section 409A of the Code). Alternatively, we assumed that, if any award were considered to any extent to constitute deferred compensation, its terms would comply with the requirements of that legislation. If an award includes deferred compensation, and its terms do not comply with the requirements of the legislation, then such award will be taxable when it is earned and vested (even if not then payable) and the recipient will be subject to a 20% additional tax.

*Awards to Particular Officers, Etc.* The benefits or amounts that will be received under the 2010 Stock Plan by or allocated to (i) each of the officers listed in the Summary Compensation Table, (ii) each of the nominees for election as a director, (iii) all directors of the Company who are not executive officers of the Company as a group, (iv) all present executive officers of the Company as a group, and (v) all employees of the Company, including all other current officers, as a group are not determinable. Individuals who will participate in the 2010 Stock Plan in the future and the amounts of their awards will be determined by the Compensation Committee.

**The Board recommends a vote FOR the approval of the 2010 Stock Plan. Proxies solicited by the Board will be so voted unless stockholders specify otherwise in their proxies.**

**PROPOSAL 3****RATIFICATION OF APPOINTMENT OF ACCOUNTANTS**

Deloitte & Touche LLP, independent certified public accountants, has been the independent registered public accounting firm of the Company since 1985. The board has recommended that the stockholders ratify the reappointment of Deloitte & Touche LLP as the Company's independent registered public accounting firm for the fiscal year ending December 25, 2010.

A representative of Deloitte & Touche LLP is expected to be present at the Meeting and will be afforded an opportunity to make a statement, if such representative desires to do so, and will be available to respond to appropriate questions.

**The board recommends that the stockholders vote FOR the proposal to ratify the appointment of Deloitte & Touche LLP, and the enclosed proxy will be so voted unless a contrary vote is indicated.**

The affirmative vote of the holders of a majority of the shares of our common stock represented in person or by proxy at the Meeting and entitled to vote is required to ratify the reappointment of Deloitte & Touche LLP as our independent registered public accounting firm for the current year. In the event the appointment of Deloitte & Touche LLP should not be approved by the stockholders, the board will consider making another appointment to be effective at the earliest possible time but has no obligation to do so.

**Audit Fees**

The aggregate fees for the fiscal years ended December 26, 2009 and December 27, 2008 by the Company's independent registered public accounting firm, Deloitte & Touche LLP, and member firms of Deloitte Touche Tohmatsu, were as follows:

Fee Category	Fiscal Year 2009	% of Total	Fiscal Year 2008	% of Total
Audit Fees	\$ 862,500	98%	\$ 800,000	92%
Audit-Related Fees				
Tax Fees	17,700	2%	70,000	8%
All Other Fees	\$		\$	
<b>Total Fees</b>	<b>\$ 880,500</b>	<b>100%</b>	<b>\$ 870,000</b>	<b>100%</b>

*Audit Fees* consists of fees for the audit of our financial statements and attestation services relating to the report on our internal controls in accordance with Section 404 of the Sarbanes-Oxley Act of 2002, review of the interim condensed consolidated financial statements included in quarterly reports, assistance with review of documents filed with the SEC, and services that are normally provided by Deloitte & Touche LLP in connection with statutory and regulatory filings or engagements, and attestation services, except those not required by statute or regulation.

*Audit-Related Fees* consists of fees for assurance and related services that are reasonably related to the performance of the audit or review of our consolidated financial statements and are not reported under *Audit Fees*. These services include internal control related services and accounting consultations and reviews for various matters.

*Tax Fees* consists of fees for tax compliance and planning services. Tax compliance includes fees for professional services related to international tax compliance and preparation. Tax planning consists primarily of fees related to the impact of acquisitions and restructuring on international subsidiaries.

*All Other Fees* consists of fees for all other permissible services other than those reported above.

---

**Policy on Audit Committee Pre-Approval of Audit and Permissible Non-Audit Services of Independent Registered Public Accounting Firm**

The Audit Committee pre-approves all audit and non-audit services provided by the Company's independent registered public accounting firm prior to the engagement with respect to such services. The Chairman of the Audit Committee has been delegated the authority by the Audit Committee to pre-approve the engagement of the independent accountants when the entire committee is unable to do so. The Audit Committee approved 100% of the services listed under the preceding captions: Audit Fees, Audit-Related Fees, Tax Fees and All Other Fees.

**STOCKHOLDER PROPOSALS**

The board will make provisions for presentation of proposals by stockholders at the 2010 annual meeting of stockholders (or special meeting in lieu thereof) provided such proposals are submitted by eligible stockholders who have complied with our by-laws. Our by-laws currently provide that in order for a stockholder to nominate a candidate for election as a director at an annual meeting of stockholders or propose business for consideration at such meeting, written notice complying with the requirements set forth in our by-laws must be delivered to the Secretary of the Company. Such nominations or proposals must be received by the Company no earlier than February 13, 2011, and no later than March 30, 2011, to be eligible for consideration at the annual meeting in the year 2011. Only persons nominated in accordance with the procedures set forth in our by-laws will be eligible to serve as directors and the only business to be conducted at an annual meeting shall be brought pursuant to our by-laws. Section 2.11 of our by-laws sets forth the information requirements for the notice of a director nomination or notice of business to be conducted at an annual meeting, which includes information about the stockholder bringing forth the nomination or notice of business, as well as information regarding the nominee or such business. You can obtain, without charge, a copy of the by-laws by writing to Kopin Corporation, c/o Investor Relations, 200 John Hancock Road, Taunton, MA 02780, or calling the Chief Financial Officer of the Company at 508-824-6696.

Our 2011 Annual Meeting is expected to be held April 28, 2011. Stockholders who, in accordance with Rule 14a-8 of the Exchange Act, wish to present proposals for inclusion in the proxy materials to be distributed by us in connection with our 2011 Annual Meeting must submit their proposal to our Corporate Secretary no later than the close of business on November 17, 2010. If this meeting date is changed by more than 30 days, then the deadline is a reasonable time before we begin to print and send the proxy materials. To be included in our proxy materials solicited for the 2011 Annual Meeting, your proposal must satisfy the requirements of Rule 14a-8 of the Exchange Act.

**COST AND METHOD OF SOLICITATION**

We will pay the cost of soliciting proxies. Proxies may be solicited on behalf of the Company by directors, officers or employees of Kopin in person or by telephone, facsimile or other electronic means. As required by the SEC, we also will reimburse brokerage firms and other custodians, nominees and fiduciaries for their expenses incurred in sending proxies and proxy materials to beneficial owners of our common stock.

**DIRECTIONS TO THE ANNUAL MEETING**

*From the North:* From the North: From I-93 South and the Tobin Bridge, take Exit 23 (Purchase Street/South Station). Upon exiting, proceed on Purchase Street and turn right onto Pearl Street. Turn left onto Franklin Street, then turn right onto Federal Street. The Garage entrance is on the left at the corner of Federal and Milk Street. Follow signs to the Blue P. Enter the garage, taking a ticket from the machine to open the gate. Drive to the first level. A Central Parking attendant will park your vehicle after issuing a valet check, to be used for retrieving your vehicle when leaving the building.

*From the South:* Take I-93 north to Exit 20 (Mass. Turnpike/South Station). Stay in left lane. While on this long ramp, follow the sign for South Station/Chinatown. Continue straight (Lincoln Street) and at the 3rd traffic light turn right onto Summer Street. Take next left onto High Street then take first left onto Federal Street. The Garage entrance is on the left at the corner of Federal and Milk Street. Follow signs to the Blue P. Enter the garage, taking a ticket from the machine to open the gate. Drive to the first level. A Central Parking attendant will park your vehicle after issuing a valet check, to be used for retrieving your vehicle when leaving the building.

*From the West:* Take the Mass. Turnpike (I-90) to Exit 24-A (South Station), following signs for Atlantic Avenue. At the 3rd traffic light, turn left onto Summer Street. Continue on Summer Street through 2 traffic lights, turning right onto High Street then take first left onto Federal Street. The Garage entrance is on the left at the corner of Federal and Milk Street. Follow signs to the Blue P. Enter the garage, taking a ticket from the machine to open the gate. Drive to the first level. A Central Parking attendant will park your vehicle after issuing a valet check, to be used for retrieving your vehicle when leaving the building.

*From Logan Airport:* Follow the Exit signs from the airport to the Summer Tunnel. Stay in the left lane of the tunnel. At the end of the tunnel, bear left and follow signs for Government Center. Turn left onto Congress Street. Follow Congress Street to Purchase Street. Turn right onto Purchase Street. Follow Purchase Street to Summer Street. Turn right onto Summer Street. Turn right at the next set of lights (High Street). On High Street take first left onto Federal Street. The Garage entrance is on the left at the corner of Federal and Milk Street. Follow signs to the Blue P. Enter the garage, taking a ticket from the machine to open the gate. Drive to the first level. A Central Parking attendant will park your vehicle after issuing a valet check, to be used for retrieving your vehicle when leaving the building.

*From the MBTA Red Line, Amtrak, and Commuter Rail (South Station):* Coming out of South Station onto Summer Street, cross Surface Road and walk straight on to Federal Street. Continue on Federal Street, eventually crossing over Franklin Street. One Federal Street is on the left side of the street.

#### GENERAL

We are not aware of any other matter other than the foregoing to be brought before the Meeting. However, the enclosed proxy gives discretionary authority to the named proxies in the event any additional matters should be presented.

We will provide free of charge to any stockholder from whom a proxy is solicited pursuant to this proxy statement, upon written request from such stockholder, our Annual Reports on Form 10-K for the fiscal years 2008 and 2007 as filed with the SEC. Our 2009 Annual Report on Form 10-K is enclosed. Only one copy of the Annual Report and this proxy statement is being delivered to multiple stockholders sharing one address, unless we have received contrary instructions. Upon request, we will deliver a separate copy to a stockholder at a shared address to which a copy was delivered. If you received more than one copy of the proxy statement and wish to reduce the number of reports you receive, we will discontinue the mailing of reports on the accounts you select. Requests for the foregoing should be directed to Kopin Corporation, 200 John Hancock Road, Taunton, Massachusetts 02780, Attention: Chief Financial Officer, 508-824-6696.

We expect to hold our 2011 annual stockholder meeting on or about April 28, 2011, and proxy materials in connection with that meeting are expected to be mailed approximately thirty days prior to the meeting.

JOHN C.C. FAN

*Chairman*

KOPIN CORPORATION

2010 EQUITY INCENTIVE PLAN

**TABLE OF CONTENTS**

1. Purpose	1
2. Definitions	1
3. Term of the Plan	3
4. Stock Subject to the Plan	3
5. Administration	4
6. Authorization of Grants	4
7. Specific Terms of Awards	5
8. Adjustment Provisions	9
9. Change of Control	11
10. Settlement of Awards	12
11. Reservation of Stock	14
12. Limitation of Rights in Stock; No Special Service Rights	14
13. Nonexclusivity of the Plan	14
14. No Guarantee of Tax Consequences	14
15. Termination and Amendment of the Plan	14
16. Notices and Other Communications	15
17. Governing Law	15

KOPIN CORPORATION

2010 EQUITY INCENTIVE PLAN

1. Purpose

This Plan is intended to encourage ownership of Stock by employees, consultants and directors of the Company and its Affiliates and to provide additional incentive for them to promote the success of the Company's business through the grant of Awards of or pertaining to shares of the Company's Stock. The Plan is intended to be an incentive stock option plan within the meaning of Section 422 of the Code, but not all Awards are required to be Incentive Options.

2. Definitions

As used in this Plan, the following terms shall have the following meanings:

2.1. Accelerate, Accelerated, and Acceleration, means: (a) when used with respect to an Option, that as of the time of reference the Option will become exercisable with respect to some or all of the shares of Stock for which it was not then otherwise exercisable by its terms; and (b) when used with respect to Restricted Stock, that the Risk of Forfeiture otherwise applicable to the Stock shall expire with respect to some or all of the shares of Restricted Stock then still otherwise subject to the Risk of Forfeiture.

2.2. Affiliate means any corporation, partnership, limited liability company, business trust, or other entity controlling, controlled by or under common control with the Company.

2.3. Award means any grant or sale pursuant to the Plan of Options, Restricted Stock, or Stock Grants.

2.4. Award Agreement means an agreement between the Company and the recipient of an Award, or other notice of grant of an Award, setting forth the terms and conditions of the Award.

2.5. Board means the Company's Board of Directors.

2.6. Change of Control means the occurrence of any of the following after the date of the approval of the Plan by the Board:

(a) a Transaction (as defined in Section 8.4), unless securities possessing more than 50% of the total combined voting power of the survivor's or acquiror's outstanding securities (or the securities of any parent thereof) are held by a person or persons who held securities possessing more than 50% of the total combined voting power of the Company's outstanding securities immediately prior to that transaction, or

(b) any person or group of persons (within the meaning of Section 13(d)(3) of the Securities Exchange Act of 1934, as amended and in effect from time to time) directly or indirectly acquires, including but not limited to by means of a merger or consolidation, beneficial ownership (determined pursuant to Securities and Exchange Commission Rule 13d-3 promulgated under the said Exchange Act) of securities possessing more than 20% of the total combined voting power of the Company's outstanding securities unless pursuant to a tender or exchange offer made directly to the Company's stockholders that the Board recommends such stockholders accept, other than (i) the Company or an Affiliate, (ii) an employee benefit plan of the Company or any of its Affiliates, (iii) a trustee or other fiduciary holding securities under an employee benefit plan of the Company or any of its Affiliates, or (iv) an underwriter temporarily holding securities pursuant to an offering of such securities, or

(c) over a period of 36 consecutive months or less, there is a change in the composition of the Board such that a majority of the Board members (rounded up to the next whole number, if a fraction) ceases, by reason of one or more proxy contests for the election of Board members, to be composed of individuals who either (i) have been Board members continuously since the beginning of that period, or (ii) have been elected or nominated for election as Board members during such period by at least a majority of the Board members

described in the preceding clause (i) who were still in office at the time that election or nomination was approved by the Board.

- 2.7. Code means the Internal Revenue Code of 1986, as amended from time to time, or any successor statute thereto, and any regulations issued from time to time thereunder.
- 2.8. Committee means the Compensation Committee of the Board, which in general is responsible for the administration of the Plan, as provided in Section 5 of this Plan. For any period during which no such committee is in existence Committee shall mean the Board and all authority and responsibility assigned to the Committee under the Plan shall be exercised, if at all, by the Board.
- 2.9. Company means Kopin Corporation, a corporation organized under the laws of the State of Delaware.
- 2.10. Grant Date means the date as of which an Option is granted, as determined under Section 7.1(a).
- 2.11. Incentive Option means an Option which by its terms is to be treated as an incentive stock option within the meaning of Section 422 of the Code.
- 2.12. Market Value means the value of a share of Stock on a particular date determined by such methods or procedures as may be established by the Committee. Unless otherwise determined by the Committee, the Market Value of Stock as of any date is the closing price for the Stock as reported on the NASDAQ Global Market (or on any other national securities exchange on which the Stock is then listed) for that date or, if no closing price is reported for that date, the closing price on the next preceding date for which a closing price was reported.
- 2.13. Nonstatutory Option means any Option that is not an Incentive Option.
- 2.14. Option means an option to purchase shares of Stock.
- 2.15. Optionee means a Participant to whom an Option shall have been granted under the Plan.
- 2.16. Participant means any holder of an outstanding Award under the Plan.
- 2.17. Performance Criteria and Performance Goals have the meanings given such terms in Section 7.4(f).
- 2.18. Plan means this 2010 Equity Incentive Plan of the Company, as amended from time to time, and including any attachments or addenda hereto.
- 2.19. Qualified Performance-Based Awards means Awards intended to qualify as performance-based compensation under Section 162(m) of the Code.
- 2.20. Restricted Stock means a grant or sale of shares of Stock to a Participant subject to a Risk of Forfeiture.
- 2.21. Restriction Period means the period of time, established by the Committee in connection with an Award of Restricted Stock, during which the shares of Restricted Stock are subject to a Risk of Forfeiture described in the applicable Award Agreement.
- 2.22. Risk of Forfeiture means a limitation on the right of the Participant to retain Restricted Stock, including a right of the Company to reacquire shares of Restricted Stock at less than its then Market Value, arising because of the occurrence or non-occurrence of specified events or conditions, including Performance Goals.



2.23. Stock means common stock par value \$0.01 per share, of the Company, and such other securities as may be substituted for Stock pursuant to Section 8.

2.24. Stock Grant means the grant of shares of Stock not subject to restrictions or other forfeiture conditions.

2.25. Stockholders Agreement means any agreement by and among the holders of at least a majority of the outstanding voting securities of the Company and setting forth, among other provisions, restrictions upon the transfer of shares of Stock or on the exercise of rights appurtenant thereto (including but not limited to voting rights).

2.26. Ten Percent Owner means a person who owns, or is deemed within the meaning of Section 422(b)(6) of the Code to own, stock possessing more than 10% of the total combined voting power of all classes of stock of the Company (or any parent or subsidiary corporations of the Company, as defined in Sections 424(e) and (f), respectively, of the Code). Whether a person is a Ten Percent Owner shall be determined with respect to an Option based on the facts existing immediately prior to the Grant Date of the Option.

### 3. Term of the Plan

Unless the Plan shall have been earlier terminated by the Board, Awards may be granted under this Plan at any time in the period commencing on the later of the date of approval of the Plan by the Board and the date of approval of the Plan by the stockholders (the Effective Date), and ending on the issuance of all of the shares of Stock subject to the Plan. Awards granted pursuant to the Plan within that period shall not expire solely by reason of the termination of the Plan. Awards of Incentive Options may only be granted through the tenth anniversary of the earlier of the adoption of the Plan by the Board and approval of the Plan by the Company's stockholders.

### 4. Stock Subject to the Plan

At no time shall the number of shares of Stock issued pursuant to or subject to outstanding Awards granted under the Plan (including pursuant to Incentive Options), nor the number of shares of Stock issued pursuant to Incentive Options, exceed 1,400,000 shares of Stock; *subject, however*, to the provisions of Section 8 of the Plan, plus (1) the number of shares of common stock which are available for grant under the Company's 2001 Equity Incentive Plan as of the Effective Date, (2) the number of shares of common stock which were the subject of awards outstanding under the Company's 2001 Equity Incentive Plan as of the Effective Date (Prior Plan Awards) and, after the Effective Date are forfeited, terminated, cancelled or expire, and (3) the number of shares of common stock delivered to the Company either in exercise of a Prior Plan Award or in satisfaction of tax withholding obligations in respect of Prior Plan Awards. For purposes of applying the foregoing limitation, settlement of any Award shall not count against the foregoing limitations except to the extent settled in the form of Stock and, without limiting the generality of the foregoing:

(a) if any Option expires, terminates, or is cancelled for any reason without having been exercised in full, or if any other Award is forfeited by the recipient or repurchased at less than its Market Value as a means of effecting a forfeiture, the shares of Stock not purchased by the Optionee or which are forfeited by the recipient or repurchased shall again be available for Awards to be granted under the Plan;

(b) if any Option is exercised by delivering previously owned shares of Stock in payment of the exercise price therefor, only the net number of shares, that is, the number of shares of Stock issued minus the number received by the Company in payment of the exercise price, shall be considered to have been issued pursuant to an Award granted under the Plan; and

(c) any shares of Stock either tendered or withheld in satisfaction of tax withholding obligations of the Company or an Affiliate shall again be available for issuance under the Plan.

Shares of Stock issued pursuant to the Plan may be either authorized but unissued shares or shares held by the Company in its treasury.

5. Administration

The Plan shall be administered by the Committee; *provided, however*, that at any time and on any one or more occasions the Board may itself exercise any of the powers and responsibilities assigned the Committee under the Plan and when so acting shall have the benefit of all of the provisions of the Plan pertaining to the Committee's exercise of its authorities hereunder; and *provided further, however*, that the Committee may delegate to an executive officer or officers the authority to grant Awards hereunder to employees who are not officers, and to consultants, in accordance with such guidelines as the Committee shall set forth at any time or from time to time. Subject to the provisions of the Plan, the Committee shall have complete authority, in its discretion, to make or to select the manner of making all determinations with respect to each Award to be granted by the Company under the Plan including the employee, consultant or director to receive the Award and the form of Award. In making such determinations, the Committee may take into account the nature of the services rendered by the respective employees, consultants, and directors, their present and potential contributions to the success of the Company and its Affiliates, and such other factors as the Committee in its discretion shall deem relevant. Subject to the provisions of the Plan, the Committee shall also have complete authority to interpret the Plan, to prescribe, amend and rescind rules and regulations relating to it, to determine the terms and provisions of the respective Award Agreements (which need not be identical), and to make all other determinations necessary or advisable for the administration of the Plan. The Committee's determinations made in good faith on matters referred to in the Plan shall be final, binding and conclusive on all persons having or claiming any interest under the Plan or an Award made pursuant hereto.

6. Authorization of Grants

6.1. Eligibility. The Committee may grant from time to time and at any time prior to the termination of the Plan one or more Awards, either alone or in combination with any other Awards, to any employee of or consultant to one or more of the Company and its Affiliates or to any non-employee member of the Board or of any board of directors (or similar governing authority) of any Affiliate. However, only employees of the Company, and of any parent or subsidiary corporations of the Company, as defined in Sections 424(e) and (f), respectively, of the Code, shall be eligible for the grant of an Incentive Option. Further, in no event shall the number of shares of Stock covered by Options or other Awards granted to any one person in any one calendar year exceed 50% of the aggregate number of shares of Stock subject to the Plan (subject to adjustment pursuant to Section 8 of the Plan, except that any such adjustment shall not apply for the purpose of Awards to covered employees within the meaning of Section 162(m) of the Code intended to be or otherwise qualifying as Qualified Performance-Based Awards).

6.2. General Terms of Awards. Each grant of an Award shall be subject to all applicable terms and conditions of the Plan (including but not limited to any specific terms and conditions applicable to that type of Award set out in the following Section), and such other terms and conditions, not inconsistent with the terms of the Plan, as the Committee may prescribe. No prospective Participant shall have any rights with respect to an Award, unless and until such Participant shall have complied with the applicable terms and conditions of such Award (including if applicable delivering a fully executed copy of any agreement evidencing an Award to the Company).

6.3. Effect of Termination of Employment, Etc. Unless the Committee shall provide otherwise with respect to any Award, if the Participant's employment or other association with the Company and its Affiliates ends for any reason, including because of the Participant's employer ceasing to be an Affiliate, (a) any outstanding Option of the Participant shall cease to be exercisable in any respect not later than 90 days following that event and, for the period it remains exercisable following that event, shall be exercisable only to the extent exercisable at the date of that event, and (b) any other outstanding Award of the Participant shall be forfeited or otherwise subject

to return to or repurchase by the Company on the terms specified in the applicable Award Agreement. Cessation of the performance of services in one capacity, for example, as an employee, shall not result in termination of an Award while the Participant continues to perform services in another capacity, for example as a director. Military or sick leave or other bona fide leave shall not be deemed a termination of employment or other association, *provided* that it does not exceed the longer of ninety (90) days or the period during which the absent Participant's reemployment rights, if any, are guaranteed by statute or by contract. To the extent consistent with applicable law, the Committee may provide that Awards continue to vest for some or all of the period of any such leave, or that their vesting shall be tolled during any such leave and only recommence upon the Participant's return from leave, if ever.

6.4. Non-Transferability of Awards. Except as otherwise provided in this Section 6.4, Awards shall not be transferable, and no Award or interest therein may be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated, other than by will or by the laws of descent and distribution. All of a Participant's rights in any Award may be exercised during the life of the Participant only by the Participant or the Participant's legal representative. However, the Committee may, at or after the grant of an Award of a Nonstatutory Option, or shares of Restricted Stock, provide that such Award may be transferred by the recipient to a family member; *provided, however*, that any such transfer is without payment of any consideration whatsoever and that no transfer shall be valid unless first approved by the Committee, acting in its sole discretion. For this purpose, family member means any child, stepchild, grandchild, parent, grandparent, stepparent, spouse, former spouse, sibling, niece, nephew, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law, including adoptive relationships, any person sharing the employee's household (other than a tenant or employee), a trust in which the foregoing persons have more than fifty (50) percent of the beneficial interests, a foundation in which the foregoing persons (or the Participant) control the management of assets, and any other entity in which these persons (or the Participant) own more than fifty (50) percent of the voting interests.

## 7. Specific Terms of Awards

### 7.1. Options.

- (a) Date of Grant. The granting of an Option shall take place at the time specified in the Award Agreement. Only if expressly so provided in the applicable Award Agreement shall the Grant Date be the date on which the Award Agreement shall have been duly executed and delivered by the Company and the Optionee.
- (b) Exercise Price. The price at which shares of Stock may be acquired under each Incentive Option shall be not less than 100% of the Market Value of Stock on the Grant Date, or not less than 110% of the Market Value of Stock on the Grant Date if the Optionee is a Ten Percent Owner. The price at which shares of Stock may be acquired under each Nonstatutory Option shall not be so limited solely by reason of this Section.
- (c) Option Period. No Incentive Option may be exercised on or after the tenth anniversary of the Grant Date, or on or after the fifth anniversary of the Grant Date if the Optionee is a Ten Percent Owner. The Option period under each Nonstatutory Option shall not be so limited solely by reason of this Section.
- (d) Exercisability. An Option may be immediately exercisable or become exercisable in such installments, cumulative or non-cumulative, as the Committee may determine. In the case of an Option not otherwise immediately exercisable in full, the Committee may Accelerate such Option in whole or in part at any time; *provided, however*, that in the case of an Incentive Option, any such Acceleration of the Option would not cause the Option to fail to comply with the provisions of Section 422 of the Code or the Optionee consents to the Acceleration.
- (e) Method of Exercise. An Option may be exercised by the Optionee giving written notice, in the manner provided in Section 16, specifying the number of shares of Stock with respect to which the Option is then being exercised. The notice shall be accompanied by payment in the form of cash or check payable to the order

of the Company in an amount equal to the exercise price of the shares of Stock to be purchased or, subject in each instance to the Committee's approval, acting in its sole discretion, and to such conditions, if any, as the Committee may deem necessary to avoid adverse accounting effects to the Company,

(i) by delivery to the Company of shares of Stock having a Market Value equal to the exercise price of the shares to be purchased, or

(ii) by surrender of the Option as to all or part of the shares of Stock for which the Option is then exercisable in exchange for shares of Stock having an aggregate Market Value equal to the difference between (1) the aggregate Market Value of the surrendered portion of the Option, and (2) the aggregate exercise price under the Option for the surrendered portion of the Option, or

(iii) unless prohibited by applicable law, by delivery to the Company of the Optionee's executed promissory note in the principal amount equal to the exercise price of the shares of Stock to be purchased and otherwise in such form as the Committee shall have approved.

If the Stock is traded on an established market, payment of any exercise price may also be made through and under the terms and conditions of any formal cashless exercise program authorized by the Company entailing the sale of the Stock subject to an Option in a brokered transaction (other than to the Company). Receipt by the Company of such notice and payment in any authorized or combination of authorized means shall constitute the exercise of the Option. Within thirty (30) days thereafter but subject to the remaining provisions of the Plan, the Company shall deliver or cause to be delivered to the Optionee or his agent a certificate or certificates for the number of shares then being purchased. Such shares of Stock shall be fully paid and nonassessable.

(f) Limit on Incentive Option Characterization. An Incentive Option shall be considered to be an Incentive Option only to the extent that the number of shares of Stock for which the Option first becomes exercisable in a calendar year do not have an aggregate Market Value (as of the date of the grant of the Option) in excess of the current limit. The current limit for any Optionee for any calendar year shall be \$100,000 *minus* the aggregate Market Value at the date of grant of the number of shares of Stock available for purchase for the first time in the same year under each other Incentive Option previously granted to the Optionee under the Plan, and under each other incentive stock option previously granted to the Optionee under any other incentive stock option plan of the Company and its Affiliates, after December 31, 1986. Any shares of Stock which would cause the foregoing limit to be violated shall be deemed to have been granted under a separate Nonstatutory Option, otherwise identical in its terms to those of the Incentive Option.

(g) Notification of Disposition. Each person exercising any Incentive Option granted under the Plan shall be deemed to have covenanted with the Company to report to the Company any disposition of the shares of Stock issued upon such exercise prior to the expiration of the holding periods specified by Section 422(a)(1) of the Code and, if and to the extent that the realization of income in such a disposition imposes upon the Company federal, state, local or other withholding tax requirements, or any such withholding is required to secure for the Company an otherwise available tax deduction, to remit to the Company an amount in cash sufficient to satisfy those requirements.

## 7.2. Restricted Stock.

(a) Purchase Price. Shares of Restricted Stock shall be issued under the Plan for such consideration, in cash, other property or services, or any combination thereof, as is determined by the Committee.

(b) Issuance of Certificates. Each Participant receiving a Restricted Stock Award, subject to subsection (c) below, shall be issued a stock certificate in respect of such shares of Restricted Stock. Such certificate shall be registered in the name of such Participant, and, if applicable, shall bear an appropriate legend referring to the terms, conditions, and restrictions applicable to such Award substantially in the following form:

The shares evidenced by this certificate are subject to the terms and conditions of Kopin Corporation 2010 Equity Incentive Plan and an Award Agreement entered into by the registered owner and Kopin Corporation, copies of which will be furnished by the Company to the holder of the shares evidenced by this certificate upon written request and without charge.

(c) Escrow of Shares. The Committee may require that the stock certificates evidencing shares of Restricted Stock be held in custody by a designated escrow agent (which may but need not be the Company) until the restrictions thereon shall have lapsed, and that the Participant deliver a stock power, endorsed in blank, relating to the Stock covered by such Award.

(d) Restrictions and Restriction Period. During the Restriction Period applicable to shares of Restricted Stock, such shares shall be subject to limitations on transferability and a Risk of Forfeiture arising on the basis of such conditions related to the performance of services, Company or Affiliate performance or otherwise as the Committee may determine and provide for in the applicable Award Agreement. Any such Risk of Forfeiture may be waived or terminated, or the Restriction Period shortened, at any time by the Committee on such basis as it deems appropriate.

(e) Rights Pending Lapse of Risk of Forfeiture or Forfeiture of Award. Except as otherwise provided in the Plan or the applicable Award Agreement, at all times prior to lapse of any Risk of Forfeiture applicable to, or forfeiture of, an Award of Restricted Stock, the Participant shall have all of the rights of a stockholder of the Company, including the right to vote, and the right to receive any dividends with respect to, the shares of Restricted Stock (but any dividends or other distributions payable in shares of Stock or other securities of the Company shall constitute additional Restricted Stock, subject to the same Risk of Forfeiture as the shares of Restricted Stock in respect of which such shares of Stock or other securities are paid). The Committee, as determined at the time of Award, may permit or require the payment of cash dividends to be deferred and, if the Committee so determines, reinvested in additional Restricted Stock to the extent shares of Stock are available under Section 4.

(f) Lapse of Restrictions. If and when the Restriction Period expires without a prior forfeiture of the Restricted Stock, the certificates for such shares shall be delivered to the Participant promptly if not theretofore so delivered.

7.3. Stock Grants. Stock Grants shall be awarded solely in recognition of significant prior or expected contributions to the success of the Company or its Affiliates, as an inducement to employment, in lieu of compensation otherwise already due and in such other limited circumstances as the Committee deems appropriate. Stock Grants shall be made without forfeiture conditions of any kind.

#### 7.4. Qualified Performance-Based Awards.

(a) Purpose. The purpose of this Section 7.4 is to provide the Committee the ability to qualify Awards as performance-based compensation under Section 162(m) of the Code. If the Committee, in its discretion, decides to grant an Award as a Qualified Performance-Based Award, the provisions of this Section 7.4 will control over any contrary provision contained in the Plan. In the course of granting any Award, the Committee may specifically designate the Award as intended to qualify as a Qualified Performance-Based Award. However, no Award shall be considered to have failed to qualify as a Qualified Performance-Based Award solely because the Award is not expressly designated as a Qualified Performance-Based Award, if the Award otherwise satisfies the provisions of this Section 7.4 and the requirements of Section 162(m) of the Code applicable to performance-based compensation.

(b) Authority. All grants of Awards intended to qualify as Qualified Performance-Based Awards and the determination of the terms applicable thereto shall be made by the Committee. If not all of the members thereof qualify as outside directors within the meaning of Section 162(m) of the Code, however, all grants of Awards intended to qualify as Qualified Performance-Based Awards and the determination of the terms applicable thereto shall be made by a subcommittee of the Committee consisting of such of the members of the Committee as do so qualify. Any reference in this Section 7.4 to the Committee shall mean any such subcommittee if required under the preceding sentence, and any action by such a subcommittee shall be considered the action of the Committee for purposes of the Plan.

(c) Discretion of Committee with Respect to Qualified Performance-Based Awards. Any form of Award permitted under the Plan, other than a Stock Grant, may be granted as a Qualified Performance-Based Award. Options may be granted as Qualified Performance-Based Awards in accordance with Section 7.1 (except that the exercise price of any Option intended to qualify as a Qualified Performance-Based Award shall in no event be less than the Market Value of the Stock on the date of grant), and may become exercisable based on continued service only, on satisfaction of Performance Goals, or on a combination thereof. Restricted Stock grants intended to qualify as a Qualified Performance-Based Award shall be subject to Risks of Forfeiture based on satisfaction of one or more Performance Goals except as otherwise provided in this Section 7.4. The Committee will have full discretion to select the length of any applicable Restriction Period, the kind and/or level of the applicable Performance Goal, and whether the Performance Goal is to apply to the Company, a subsidiary of the Company or any division or business unit or to the individual. Any Performance Goal or Goals applicable to Qualified Performance-Based Awards shall be objective, shall be established not later than ninety (90) days after the beginning of any applicable Restriction Period (or at such other date as may be required or permitted for performance-based compensation under Section 162(m) of the Code) and shall otherwise meet the requirements of Section 162(m) of the Code, including the requirement that the outcome of the Performance Goal or Goals be substantially uncertain (as defined for purposes of Section 162(m) of the Code) at the time established.

(d) Payment of Qualified Performance-Based Awards. A Participant will be eligible to receive payment under a Qualified Performance-Based Award which is subject to achievement of a Performance Goal or Goals only if the applicable Performance Goal or Goals period are achieved within the applicable Restriction Period, as determined by the Committee, *provided*, that a Qualified Performance-Based Award may be deemed earned as a result of death, becoming disabled, or in connection with a Change of Control if otherwise provided in the Plan or the applicable Award Agreement even if the Award would not constitute performance-based compensation under Section 162(m) of the Code following the occurrence of such an event. In determining the actual size of an individual Qualified Performance-Based Award, the Committee may reduce or eliminate the amount of the Qualified Performance-Based Award earned for the Restriction Period, if in its sole and absolute discretion, such reduction or elimination is appropriate.

(e) Limitation on Adjustments for Certain Events. No adjustment of any Qualified Performance-Based Award pursuant to Section 8 shall be made except on such basis, if any, as will not cause such Award to provide other than performance-based compensation within the meaning of Section 162(m) of the Code.

(f) Definitions. For purposes of the Plan

(i) Performance Criteria means the criteria that the Committee selects for purposes of establishing the Performance Goal or Performance Goals for a Participant for a Restriction Period. The Performance Criteria used to establish Performance Goals are limited to: (i) cash flow (before or after dividends), (ii) earnings per share (including, without limitation, earnings before interest, taxes, depreciation and amortization), (iii) stock price, (iv) return on equity, (v) stockholder return or total stockholder return, (vi) return on capital (including, without limitation, return on total capital or return on invested capital), (vii) return on investment, (viii) return on assets or net assets, (ix) market capitalization, (x) economic value added, (xi) debt leverage (debt to capital), (xii) revenue, (xiii) sales or net sales, (xiv) backlog, (xv) income,

pre-tax income or net income, (xvi) operating income or pre-tax profit, (xvii) operating profit, net operating profit or economic profit, (xviii) gross margin, operating margin or profit margin, (xix) return on operating revenue or return on operating assets, (xx) cash from operations, (xxi) operating ratio, (xxii) operating revenue, (xxiii) market share improvement, (xxiv) general and administrative expenses and (xxv) customer service.

(ii) Performance Goals means, for a Restriction Period, the written goal or goals established by the Committee for the Restriction Period based upon one or more of the Performance Criteria. The Performance Goals may be expressed in terms of overall Company performance or the performance of a division, product, business unit, subsidiary, segment, or an individual, either individually, alternatively or in any combination, applied to either the Company as a whole or to a business unit or Affiliate, either individually, alternatively or in any combination, and measured either quarterly, annually or cumulatively over a period of years, on an absolute basis or relative to a pre-established target, to previous years results or to a designated comparison group, in each case as specified by the Committee. The Committee will objectively define the manner of calculating the Performance Goal or Goals it selects to use for such Restriction Period for such Participant, including whether or to what extent there shall not be taken into account any of the following events that occurs during a Restriction Period: (i) asset write-downs, (ii) litigation, claims, judgments or settlements, (iii) the effect of changes in tax law, accounting principles or other such laws or provisions affecting reported results, (iv) accruals for reorganization and restructuring programs and (v) any extraordinary, unusual, non-recurring or non-comparable items (A) as described in Accounting Standard Codification Section 225-20, (B) as described in management's discussion and analysis of financial condition and results of operations appearing in the Company's Annual Report to stockholders for the applicable year, or (C) publicly announced by the Company in a press release or conference call relating to the Company's results of operations or financial condition for a completed quarterly or annual fiscal period.

7.5. Awards to Participants Outside the United States. The Committee may modify the terms of any Award under the Plan granted to a Participant who is, at the time of grant or during the term of the Award, resident or primarily employed outside of the United States in any manner deemed by the Committee to be necessary or appropriate in order that the Award shall conform to laws, regulations, and customs of the country in which the Participant is then resident or primarily employed, or so that the value and other benefits of the Award to the Participant, as affected by foreign tax laws and other restrictions applicable as a result of the Participant's residence or employment abroad, shall be comparable to the value of such an Award to a Participant who is resident or primarily employed in the United States. The Committee may establish supplements to, or amendments, restatements, or alternative versions of the Plan for the purpose of granting and administering any such modified Award. No such modification, supplement, amendment, restatement or alternative version may increase the share limit of Section 4.

## 8. Adjustment Provisions

8.1. Adjustment for Corporate Actions. All of the share numbers set forth in the Plan reflect the capital structure of the Company as of March 17, 2010. If subsequent to that date the outstanding shares of Stock (or any other securities covered by the Plan by reason of the prior application of this Section) are increased, decreased, or exchanged for a different number or kind of shares or other securities, or if additional shares or new or different shares or other securities are distributed with respect to shares of Stock, as a result of a reorganization, recapitalization, reclassification, stock dividend, stock split, reverse stock split, or other similar distribution with respect to such shares of Stock, an appropriate and proportionate adjustment will be made in (i) the maximum numbers and kinds of shares provided in Section 4, (ii) the numbers and kinds of shares or other securities subject to the then outstanding Awards, (iii) the exercise price for each share or other unit of any other securities subject to then outstanding Options (without change in the aggregate purchase price as to which such Options remain exercisable), and (iv) the repurchase price of each share of Restricted Stock then subject to a Risk of Forfeiture in the form of a Company repurchase right.

8.2. Adjustment of Awards Upon the Occurrence of Certain Unusual or Nonrecurring Events. In the event of any corporate action not specifically covered by the preceding Section, including but not limited to an extraordinary cash distribution on Stock, a corporate separation or other reorganization or liquidation, the Committee may make such adjustment of outstanding Awards and their terms, if any, as it, in its sole discretion, may deem equitable and appropriate in the circumstances. The Committee may make adjustments in the terms and conditions of, and the criteria included in, Awards in recognition of unusual or nonrecurring events (including, without limitation, the events described in this Section) affecting the Company or the financial statements of the Company or of changes in applicable laws, regulations, or accounting principles, whenever the Committee determines that such adjustments are appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan.

8.3. Related Matters. Any adjustment in Awards made pursuant to Section 8.1 or 8.2 shall be determined and made, if at all, by the Committee, acting in its sole discretion, and shall include any correlative modification of terms, including of Option exercise prices, rates of vesting or exercisability, Risks of Forfeiture, applicable repurchase prices for Restricted Stock, and Performance Goals and other business objectives which the Committee may deem necessary or appropriate so as to ensure the rights of the Participants in their respective Awards are not substantially diminished nor enlarged as a result of the adjustment and corporate action other than as expressly contemplated in this Section 8. The Committee, in its discretion, may determine that no fraction of a share of Stock shall be purchasable or deliverable upon exercise, and in that event if any adjustment hereunder of the number of shares of Stock covered by an Award would cause such number to include a fraction of a share of Stock, such number of shares of Stock shall be adjusted to the nearest smaller whole number of shares. No adjustment of an Option exercise price per share pursuant to Sections 8.1 or 8.2 shall result in an exercise price which is less than the par value of the Stock.

8.4. Transactions.

(a) Definition of Transaction. In this Section 8.4, Transaction means (1) any merger or consolidation of the Company with or into another entity as a result of which the Stock of the Company is converted into or exchanged for the right to receive cash, securities or other property or is cancelled, (2) any sale or exchange of all of the Stock of the Company for cash, securities or other property, (3) any sale, transfer, or other disposition of all or substantially all of the Company's assets to one or more other persons in a single transaction or series of related transactions or (4) any liquidation or dissolution of the Company.

(b) Treatment of Options. In a Transaction, the Committee may take any one or more of the following actions as to all or any (or any portion of) outstanding Options.

(1) Provide that such Options shall be assumed, or substantially equivalent rights shall be provided in substitution therefore, by the acquiring or succeeding entity (or an affiliate thereof).

(2) Upon written notice to the holders, provide that the holders' unexercised Options will terminate immediately prior to the consummation of such Transaction unless exercised within a specified period following the date of such notice.

(3) Provide that outstanding Options shall become exercisable in whole or in part prior to or upon the Transaction.

(4) Provide for cash payments, net of applicable tax withholdings, to be made to holders equal to the excess, if any, of (A) the acquisition price times the number of shares of Stock subject to an Option (to the extent the exercise price does not exceed the acquisition price) over (B) the aggregate exercise price for all such shares of Stock subject to the Option, in exchange for the termination of such Option; provided, that if the acquisition price does not exceed the exercise price of any such Option, the Committee may cancel that Option without the payment of any consideration therefore prior to or upon the Transaction. For this



purpose, acquisition price means the amount of cash, and market value of any other consideration, received in payment for a share of Stock surrendered in a Transaction.

(5) Provide that, in connection with a liquidation or dissolution of the Company, Options shall convert into the right to receive liquidation proceeds net of the exercise price thereof and any applicable tax withholdings.

(6) Any combination of the foregoing.

For purposes of paragraph (1) above, an Option shall be considered assumed, or a substantially equivalent right shall be considered to have been provided in substitution therefore, if following consummation of the Transaction the Option confers the right to purchase or receive the value of, for each share of Stock subject to the Option immediately prior to the consummation of the Transaction, the consideration (whether cash, securities or other property) received as a result of the Transaction by holders of Stock for each share of Stock held immediately prior to the consummation of the Transaction (and if holders were offered a choice of consideration, the type of consideration chosen by the holders of a majority of the outstanding shares of Stock); *provided, however*, that if the consideration received as a result of the Transaction is not solely common stock (or its equivalent) of the acquiring or succeeding entity (or an affiliate thereof), the Committee may provide for the consideration to be received upon the exercise of the Option to consist of or be based on solely common stock (or its equivalent) of the acquiring or succeeding entity (or an affiliate thereof) equivalent in value to the per share consideration received by holders of outstanding shares of Stock as a result of the Transaction.

(c) Treatment of Other Awards. As to outstanding Awards other than Options, upon the occurrence of a Transaction other than a liquidation or dissolution of the Company which is not part of another form of Transaction, the repurchase and other rights of the Company under each such Award shall inure to the benefit of the Company's successor and shall, unless the Committee determines otherwise, apply to the cash, securities or other property which the Stock was converted into or exchanged for pursuant to such Transaction in the same manner and to the same extent as they applied to the Award. Upon the occurrence of a Transaction involving a liquidation or dissolution of the Company which is not part of another form of Transaction, except to the extent specifically provided to the contrary in the instrument evidencing any Award or any other agreement between a Participant and the Company, all Risks of Forfeiture otherwise applicable to any such Awards shall automatically be deemed terminated or satisfied, as applicable.

(d) Related Matters. In taking any of the actions permitted under this Section 8.4, the Committee shall not be obligated to treat all Awards, all Awards held by a Participant, or all Awards of the same type, identically. Any determinations required to carry out the foregoing provisions of this Section 8.4, including but not limited to the market value of other consideration received by holders of Stock in a Transaction and whether substantially equivalent Options have been substituted, shall be made by the Committee acting in its sole discretion.

#### 9. Change of Control

Except as otherwise provided below, upon the occurrence of a Change of Control:

(a) any and all Options not already exercisable in full shall Accelerate with respect to 100% of the shares for which such Options are not then exercisable; and

(b) any Risk of Forfeiture applicable to Restricted Stock shall lapse with respect to 100% of the Restricted Stock still subject to such Risk of Forfeiture immediately prior to the Change of Control.

None of the foregoing shall apply, however, (i) in the case of any Award pursuant to an Award Agreement requiring other or additional terms upon a Change of Control (or similar event), or (ii) if specifically prohibited under applicable laws, or by the rules and regulations of any governing governmental agencies or national

securities exchanges. Nor shall the foregoing apply in the case of a Qualified Performance-Based Award except to the extent the foregoing would not interfere with the qualification of the Award under 162(m) of the Code at any time prior to a Change of Control (so that, for example, if a Change of Control occurs but does not constitute a change of control within the meaning of Section 162(m) of the Code, there shall be no Acceleration of any Qualified Performance-Based Award pursuant to this Section 9, but if the Change of Control does constitute a change of control within the meaning of Section 162(m) of the Code, then the Award shall Accelerate to the extent provided above regardless of whether it thereafter ceases to qualify as a Qualified Performance-Based Award).

10. Settlement of Awards

10.1. In General. Options shall be settled in accordance with their terms. The Committee may not require settlement of any Award in Stock pursuant to the immediately preceding sentence to the extent issuance of such Stock would be prohibited or unreasonably delayed by reason of any other provision of the Plan.

10.2. Violation of Law. Notwithstanding any other provision of the Plan or the relevant Award Agreement, if, at any time, in the reasonable opinion of the Company, the issuance of shares of Stock covered by an Award may constitute a violation of law, then the Company may delay such issuance and the delivery of a certificate for such shares until (i) approval shall have been obtained from such governmental agencies, other than the Securities and Exchange Commission, as may be required under any applicable law, rule, or regulation and (ii) in the case where such issuance would constitute a violation of a law administered by or a regulation of the Securities and Exchange Commission, one of the following conditions shall have been satisfied:

(a) the shares of Stock are at the time of the issue of such shares effectively registered under the Securities Act of 1933, as amended; or

(b) the Company shall have determined, on such basis as it deems appropriate (including an opinion of counsel in form and substance satisfactory to the Company) that the sale, transfer, assignment, pledge, encumbrance or other disposition of such shares does not require registration under the Securities Act of 1933, as amended or any applicable State securities laws.

The Company shall make all reasonable efforts to bring about the occurrence of said events.

10.3. Corporate Restrictions on Rights in Stock. Any Stock to be issued pursuant to Awards granted under the Plan shall be subject to all restrictions upon the transfer thereof which may be now or hereafter imposed by the charter, certificate or articles, and by-laws, of the Company. Whenever Stock is to be issued pursuant to an Award, if the Committee so directs at or after grant, the Company shall be under no obligation to issue such shares until such time, if ever, as the recipient of the Award (and any person who exercises any Option, in whole or in part), shall have become a party to and bound by the Stockholders Agreement, if any. In the event of any conflict between the provisions of this Plan and the provisions of the Stockholders Agreement, the provisions of the Stockholders Agreement shall control except as required to fulfill the intention that this Plan constitute an incentive stock option plan within the meaning of Section 422 of the Code, but insofar as possible the provisions of the Plan and such Agreement shall be construed so as to give full force and effect to all such provisions.

10.4. Investment Representations. The Company shall be under no obligation to issue any shares of Stock covered by any Award unless the shares to be issued pursuant to Awards granted under the Plan have been effectively registered under the Securities Act of 1933, as amended, or the Participant shall have made such written representations to the Company (upon which the Company believes it may reasonably rely) as the Company may deem necessary or appropriate for purposes of confirming that the issuance of such shares will be exempt from the registration requirements of that Act and any applicable state securities laws and otherwise in compliance with all applicable laws, rules and regulations, including but not limited to that the Participant is acquiring the shares for his or her own account for the purpose of investment and not with a view to, or for sale in connection with, the distribution of any such shares.

10.5. Registration. If the Company shall deem it necessary or desirable to register under the Securities Act of 1933, as amended, or other applicable statutes any shares of Stock issued or to be issued pursuant to Awards granted under the Plan, or to qualify any such shares of Stock for exemption from the Securities Act of 1933, as amended or other applicable statutes, then the Company shall take such action at its own expense. The Company may require from each recipient of an Award, or each holder of shares of Stock acquired pursuant to the Plan, such information in writing for use in any registration statement, prospectus, preliminary prospectus or offering circular as is reasonably necessary for that purpose and may require reasonable indemnity to the Company and its officers and directors from that holder against all losses, claims, damage and liabilities arising from use of the information so furnished and caused by any untrue statement of any material fact therein or caused by the omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances under which they were made. In addition, the Company may require of any such person that he or she agree that, without the prior written consent of the Company or the managing underwriter in any public offering of shares of Stock, he or she will not sell, make any short sale of, loan, grant any option for the purchase of, pledge or otherwise encumber, or otherwise dispose of, any shares of Stock during the 180 day period commencing on the effective date of the registration statement relating to the underwritten public offering of securities. Without limiting the generality of the foregoing provisions of this Section 10.5, if in connection with any underwritten public offering of securities of the Company the managing underwriter of such offering requires that the Company's directors and officers enter into a lock-up agreement containing provisions that are more restrictive than the provisions set forth in the preceding sentence, then (a) each holder of shares of Stock acquired pursuant to the Plan (regardless of whether such person has complied or complies with the provisions of clause (b) below) shall be bound by, and shall be deemed to have agreed to, the same lock-up terms as those to which the Company's directors and officers are required to adhere; and (b) at the request of the Company or such managing underwriter, each such person shall execute and deliver a lock-up agreement in form and substance equivalent to that which is required to be executed by the Company's directors and officers.

10.6. Placement of Legends; Stop Orders; etc. Each share of Stock to be issued pursuant to Awards granted under the Plan may bear a reference to the investment representation made in accordance with Section 10.4 in addition to any other applicable restriction under the Plan, the terms of the Award and if applicable under the Stockholders' Agreement and to the fact that no registration statement has been filed with the Securities and Exchange Commission in respect to such shares of Stock. All certificates for shares of Stock or other securities delivered under the Plan shall be subject to such stock transfer orders and other restrictions as the Committee may deem advisable under the rules, regulations, and other requirements of any stock exchange upon which the Stock is then listed, and any applicable federal or state securities law, and the Committee may cause a legend or legends to be put on any such certificates to make appropriate reference to such restrictions.

10.7. Tax Withholding. Whenever shares of Stock are issued or to be issued pursuant to Awards granted under the Plan, the Company shall have the right to require the recipient to remit to the Company an amount sufficient to satisfy federal, state, local or other withholding tax requirements if, when, and to the extent required by law (whether so required to secure for the Company an otherwise available tax deduction or otherwise) prior to the delivery of any certificate or certificates for such shares. The obligations of the Company under the Plan shall be conditional on satisfaction of all such withholding obligations and the Company shall, to the extent permitted by law, have the right to deduct any such taxes from any payment of any kind otherwise due to the recipient of an Award. However, in such cases Participants may elect, subject to the approval of the Committee, acting in its sole discretion, to satisfy an applicable withholding requirement, in whole or in part, by having the Company withhold shares of Stock to satisfy their tax obligations. Participants may only elect to have shares of Stock withheld having a Market Value on the date the tax is to be determined equal to the minimum statutory total tax which could be imposed on the transaction. All elections shall be irrevocable, made in writing, signed by the Participant, and shall be subject to any restrictions or limitations that the Committee deems appropriate.

11. Reservation of Stock

The Company shall at all times during the term of the Plan and any outstanding Awards granted hereunder reserve or otherwise keep available such number of shares of Stock as will be sufficient to satisfy the requirements of the Plan (if then in effect) and the Awards and shall pay all fees and expenses necessarily incurred by the Company in connection therewith.

12. Limitation of Rights in Stock; No Special Service Rights

A Participant shall not be deemed for any purpose to be a stockholder of the Company with respect to any of the shares of Stock subject to an Award, unless and until a certificate shall have been issued therefor and delivered to the Participant or his agent. Any Stock to be issued pursuant to Awards granted under the Plan shall be subject to all restrictions upon the transfer thereof which may be now or hereafter imposed by the Certificate of Incorporation and the By-laws of the Company. Nothing contained in the Plan or in any Award Agreement shall confer upon any recipient of an Award any right with respect to the continuation of his or her employment or other association with the Company (or any Affiliate), or interfere in any way with the right of the Company (or any Affiliate), subject to the terms of any separate employment or consulting agreement or provision of law or corporate articles or by-laws to the contrary, at any time to terminate such employment or consulting agreement or to increase or decrease, or otherwise adjust, the other terms and conditions of the recipient's employment or other association with the Company and its Affiliates.

13. Nonexclusivity of the Plan

Neither the adoption of the Plan by the Board nor the submission of the Plan to the stockholders of the Company shall be construed as creating any limitations on the power of the Board to adopt such other incentive arrangements as it may deem desirable, including without limitation, the granting of stock options and restricted stock other than under the Plan, and such arrangements may be either applicable generally or only in specific cases.

14. No Guarantee of Tax Consequences

Neither the Company nor any Affiliate, nor any director, officer, agent, representative or employee of either, guarantees to the Participant or any other person any particular tax consequences as a result of the grant of, exercise of rights under, or payment in respect of an Award, including but not limited to that an Option granted as an Incentive Option has or will qualify as an incentive stock option within the meaning of Section 422 of the Code or that the provisions and penalties of Section 409A of the Code, pertaining non-qualified plans of deferred compensation, will or will not apply.

15. Termination and Amendment of the Plan

15.1. Termination or Amendment of the Plan. The Board may at any time terminate the Plan or make such modifications of the Plan as it shall deem advisable. Unless the Board otherwise expressly provides, no amendment of the Plan shall affect the terms of any Award outstanding on the date of such amendment.

15.2. Termination or Amendment of Outstanding Awards; Assumptions. The Committee may amend the terms of any Award theretofore granted, prospectively or retroactively, provided that the Award as amended is consistent with the terms of the Plan. The Committee also may accept the cancellation of outstanding Awards or of outstanding stock options or other equity-based compensation awards granted by another issuer in return for the grant of new Awards for the same or a different number of shares of Stock and on the same or different terms and conditions (including but not limited to the exercise price of any Option). Furthermore, the Committee may at any time (a) offer to buy out for a payment in cash or cash equivalents an Award previously granted or (b) authorize the recipient of an Award to elect to cash out an Award previously granted, in either case at such time and based upon such terms and conditions as the Committee shall establish.

15.3. Limitations on Amendments, Etc.

Without the approval of the Company's stockholders, no amendment or modification of the Plan by the Board may (i) increase the number of shares of Stock which may be issued under the Plan, (ii) change the description of the persons eligible for Awards, or (iii) effect any other change for which stockholder approval is required by law or the rules of any relevant stock exchange. Furthermore, except in connection with a corporate transaction involving the Company, the terms of outstanding Options may not be amended to reduce their exercise price, nor may outstanding Options be cancelled in exchange for cash or Options with exercise prices that are less than the exercise prices of the original Options, or other Awards, without stockholder approval.

No amendment or modification of the Plan by the Board, or of an outstanding Award by the Committee, shall impair the rights of the recipient of any Award outstanding on the date of such amendment or modification or such Award, as the case may be, without the Participant's consent; *provided, however*, that no such consent shall be required if (i) the Board or Committee, as the case may be, determines in its sole discretion and prior to the date of any Change of Control that such amendment or alteration either is required or advisable in order for the Company, the Plan or the Award to satisfy any law or regulation, including without limitation the provisions of Section 409A of the Code, or to meet the requirements of or avoid adverse financial accounting consequences under any accounting standard, or (ii) the Board or Committee, as the case may be, determines in its sole discretion and prior to the date of any Change of Control that such amendment or alteration is not reasonably likely to significantly diminish the benefits provided under the Award, or that any such diminution has been adequately compensated.

16. Notices and Other Communications

Any notice, demand, request or other communication hereunder to any party shall be deemed to be sufficient if contained in a written instrument delivered in person or duly sent by first class registered, certified or overnight mail, postage prepaid, or telecopied with a confirmation copy by regular, certified or overnight mail, addressed or telecopied, as the case may be, (i) if to the recipient of an Award, at his or her residence address last filed with the Company and (ii) if to the Company, at its principal place of business, addressed to the attention of its Treasurer, or to such other address or telecopier number, as the case may be, as the addressee may have designated by notice to the addressor. All such notices, requests, demands and other communications shall be deemed to have been received: (i) in the case of personal delivery, on the date of such delivery; (ii) in the case of mailing, when received by the addressee; and (iii) in the case of facsimile transmission, when confirmed by facsimile machine report.

17. Governing Law

The Plan and all Award Agreements and actions taken thereunder shall be governed, interpreted and enforced in accordance with the laws of the Commonwealth of Massachusetts, without regard to the conflict of laws principles thereof.

DETACH HERE

**PROXY**

**KOPIN CORPORATION**

**THIS PROXY IS SOLICITED ON BEHALF OF THE**

**BOARD OF DIRECTORS FOR THE**

**2010 ANNUAL MEETING OF STOCKHOLDERS**

**TO BE HELD APRIL 29, 2010**

The undersigned hereby appoints John C.C. Fan and Richard A. Sneider, and each of them, as proxies and attorneys-in-fact, with full power of substitution, on behalf and in the name of the undersigned, to vote all the shares of our common stock of Kopin Corporation which the undersigned would be entitled to vote if personally present at the 2010 Annual Meeting of Stockholders to be held on April 29, 2010 at 9:00 a.m. at the offices of Bingham McCutchen LLP, One Federal Street, Boston, Massachusetts 02110, or any adjournment thereof, upon any and all matters which may properly be brought before the meeting or any adjournments thereof. This proxy hereby revokes all former proxies submitted by the undersigned stockholder.

**THE SHARES REPRESENTED BY THIS PROXY WILL BE VOTED AS DIRECTED, OR IF NO DIRECTION IS GIVEN, WILL BE VOTED FOR ALL DIRECTORS LISTED IN PROPOSAL (1), AND WILL BE VOTED FOR PROPOSAL (2) AND (3).**

If you vote over the internet or by telephone, please do not mail your proxy card.

Your vote is important. Please vote immediately.

**SEE REVERSE**

**CONTINUED AND TO BE SIGNED ON REVERSE SIDE**

**SEE REVERSE**

**SIDE**

**SIDE**

**Electronic Voting Instructions**

**You can vote by internet or telephone!**

**Available 24 hours a day, 7 days a week!**

Instead of mailing your proxy, you may choose one of the two voting methods outlined below to vote your proxy.

VALIDATION DETAILS ARE LOCATED BELOW IN THE TITLE BAR.

**Proxies submitted by the internet or telephone must be received by 11:59 p.m., Central Time, on April 28, 2010.**

VOTE-BY-INTERNET

1. Log on to the Internet and go to  
<http://www.investorvote.com/kopin>
2. Follow the easy steps outlined on the secured website.

VOTE-BY-TELEPHONE

1. Call toll-free  
1-877-652-VOTE (8683) within the United States, Canada and Puerto Rico any time on a touch tone telephone. There is no charge for the call.
2. Follow the easy recorded instructions.

Using a **blackink** pen, mark your votes with an X as shown in this example. Please do not write outside the designated areas x.

**Annual Meeting Proxy Card**

**123456**

**C0123456789**

**12345**

**IF YOU HAVE NOT VOTED VIA THE INTERNET OR TELEPHONE, FOLD ALONG THE PERFORATION, DETACH AND RETURN THE BOTTOM PORTION IN THE ENCLOSED ENVELOPE.**

**A. Proposals** The Board of Directors recommends a vote FOR all the nominees and FOR Proposals 2 and 3.

1. ELECTION OF DIRECTOR:

	FOR	WITHHELD		FOR	WITHHELD
(01) John C.C. Fan	..	..	(05) Morton Collins	..	..
(02) James K. Brewington	..	..	(06) Chi Chia Hsieh	..	..
(03) David E. Brook	..	..	(07) Michael J. Landine	..	..
(04) Andrew H. Chapman	..	..			

FOR AGAINST ABSTAIN

2. PROPOSAL TO APPROVE THE COMPANY S 2010 EQUITY INCENTIVE PLAN

.. .. ..

3. PROPOSAL TO RATIFY THE APPOINTMENT OF DELOITTE & TOUCHE LLP AS THE INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM OF THE COMPANY.

.. .. ..

4. IN THEIR DISCRETION, THE PROXIES ARE AUTHORIZED TO VOTE UPON SUCH OTHER BUSINESS AS MAY PROPERLY COME BEFORE THE MEETING.

**B. Non-Voting Items**

**Change of Address** Please print new address below.

**C. Authorized Signatures** This section must be completed for your vote to be counted. Date and Sign Below

PLEASE DATE AND SIGN exactly as your name(s) appears at left indicating, where proper, official position or representation capacity in which you are signing. When signing as executor, administrator, trustee or guardian, give full title as such; when shares have been issued in the name of two or more persons, all must sign.

Date (mm/dd/yyyy) Please print date below.

Signature 1 Please keep signature within the box.

Signature 2 Please keep signature within the box.