KOPIN CORPORATION

CORPORATE GOVERNANCE GUIDELINES

The Board of Directors (the "Board") of Kopin Corporation (the "Company") has developed corporate governance practices to help it fulfill its responsibilities to the Company's stockholders to oversee the work of management and the Company's business operations and to provide a framework for the corporate governance of the Company. The governance practices contained in these guidelines are intended to assure that the Board has the necessary authority and practices established to review and evaluate the Company's business operations and to make decisions independent of management. These guidelines also are intended to align the interests of directors and management with those of the Company's stockholders. These guidelines are subject to future review and revision as the Board may find necessary or advisable to achieve these objectives.

Board Composition and Selection

1. **Board Size.** In accordance with the Company's by-laws, the number of members of the Board may range from 3 to 13. The Board shall periodically evaluate whether a larger or smaller number of directors would be preferable.

2. **Selection of Board Members.** Candidates for directorship will be identified by the Nominating and Corporate Governance Committee in accordance with the policies and principles in its charter and taking into account the membership criteria established by the Nominating and Corporate Governance Committee. The Nominating and Corporate Governance Committee shall recommend to the Board the nominees to stand for election as directors as provided in its charter. Each year at the Company's annual stockholder meeting, the Board recommends director nominees for election by stockholders. All Board members are elected annually by the Company's stockholders, except as noted below with respect to vacancies. The Board may fill vacancies in existing or new director positions, which directors will serve only until the next election of directors by stockholders unless elected by the stockholders to a further term at such time.

3. **Invitation to Join the Board.** The invitation to join the Board will be extended by the Board itself via the Company's Chairperson of the Board (the "Chairperson") and Chief Executive Officer (the "CEO").

4. **Board Membership Criteria.** The Nominating and Corporate Governance Committee will work with the Board on an annual basis to determine the suitability of individual Board members, taking into account an individual's skills, expertise, industry and other knowledge and business and other experience that would be useful to the effective oversight of the Company's business. The Nominating and Corporate Governance Committee will take in to account a number of factors for membership as outlined in the charter. The Nominating and Corporate Governance Committee will not assign specific weights to particular criteria and no particular criterion is necessarily applicable to all prospective nominees.

5. **Board Composition and Independence.** A majority of the Board will consist of directors who the Board has determined are "independent" under Section 10A of the Securities Exchange Act of 1934 (the "Exchange Act"), the listing standards of The Nasdaq Stock Market, Inc. ("Nasdaq") and other applicable laws, rules and regulations regarding independence in effect from time to time. Notwithstanding the foregoing provisions, the Company may have less than a majority of directors who meet the criteria for independence to the extent allowed pursuant to any and all transitional rules or exceptions specified by Nasdaq and the SEC.

6. **Term Limits.** The Board does not believe it should limit the number of terms for which an individual may serve as a director. Directors who have served on the Board for an extended period of time are able to provide valuable insight into the operations and future of the Company based on their experience with, and understanding of, the Company's history, policies and objectives. The Board believes that, as an alternative to term limits, it can ensure that the Board continues to evolve and adopt new viewpoints through the evaluation and nomination process described in these guidelines.

7. **Selection of Chairperson and CEO.** The Board will select the Chairperson and CEO in the manner that it determines to be in the best interests of the Company's stockholders. The Board has no set policy with respect to the separation of the offices of Chairperson and the CEO. The Board believes that this issue is part of the succession planning process and that it is in the best interest of the Company for the Board to make a particular determination in the context of selecting a new chief executive officer.

8. **Lead Director.** The non-management directors may designate a Lead Director, who shall be independent as determined by the Board. The Lead Director facilitates communication among non-management directors, Company management and Company stockholders. The Lead Director’s duties include working with the Chairperson to develop and approve Board agendas; developing and approving meeting schedules with the Chairperson to ensure there is sufficient time for discussion of agenda topics; advising the Chairperson as to the quality, quantity and timeliness of the information sent to the Board by management; developing agendas for and chairing executive sessions of the Board; acting as a liaison between the Chairperson and the independent directors; performing such other duties as the Board may determine from time to time.

9. **No Specific Limitation on Other Board Service.** The Board does not believe that directors should be prohibited from serving on boards and/or committees of other organizations, and has not adopted any guidelines limiting such activities. The Board's Nominating and Corporate Governance Committee and the Board, however, will take into account the nature of, and time involved, in a director's service on other boards in evaluating the suitability of individual directors and making recommendations to the Company's stockholders. Service on boards and/or committees of other organizations should be consistent with the Company's conflict of interest policies.

<u>Board Meetings and Performance</u>

10. **Number of Meetings.** The Board will have at least four meetings each year and such additional meetings as called by the Chairperson or the President in accordance with the Company's By-laws. Directors are encouraged to attend the Company’s annual stockholder meeting.

11. **Agenda.** The Chairperson and CEO, taking into account suggestions from other members of the Board, will set the agenda for each Board meeting and will distribute such agenda in advance to each director.

12. **Distribution of Materials.** All information relevant to the Board's understanding of matters to be discussed at an upcoming Board meeting will be distributed in writing or electronically to all members in advance, whenever feasible and appropriate. In preparing this information, management should ensure that materials distributed are as concise as possible and give directors sufficient information to make informed decisions. The Board acknowledges that certain items to be discussed at Board meetings are of an extremely sensitive nature and that the distribution of materials on these matters prior to Board meetings may not be appropriate.

13. **Access to Management and Employees.** The Board will have complete access to Company management and employees in order to ensure that directors can ask all questions and obtain all information necessary to fulfill their duties. The Board may specify a protocol for making such inquiries. Management is encouraged to invite Company personnel to any Board meeting at which their presence and expertise would help the Board have a full understanding of matters being considered.

14. **Executive Sessions of Independent Directors.** The independent directors of the Board will meet regularly in executive session (with no management directors or management present) as often as they shall determine. Executive sessions of the independent directors will be called and chaired by the Chairperson of the Board (if non-management director) and, alternatively, by Chairperson of the Board's Nominating and Corporate Governance Committee, the Lead Director, or an independent director selected by the other independent directors. These executive session discussions may include such topics as the independent directors determine.

15. **Board's Interaction with Third Parties.** The Board believes that management speaks for the Company. Individual directors from time to time may meet or otherwise communicate with various constituencies involved with the Company, but it is expected that directors would do so only with the knowledge of management and, in most instances, at the request of management.

16. **Director Responsibilities.** The basic responsibility of the directors is to exercise their business judgment to act in what they reasonably believe to be the best interests of the Company and its stockholders. In discharging that obligation, directors are entitled to rely on the honesty and integrity of the Company's senior executives and its outside advisors and auditors. The directors shall also be entitled to have the Company purchase directors' and officers' liability insurance on their behalf, to the benefits of indemnification to the fullest extent permitted by law and the Company's Certificate of Incorporation, By-laws and any indemnification agreements, and to exculpation as provided by state law and the Company's Certificate of Incorporation.

17. **Director Orientation and Continuing Education.** The Board shall provide an appropriate orientation for all new directors. It is expected that directors will remain up-to-date in their fields of expertise. In addition, it is expected that directors will develop and maintain a broad, current knowledge of the Company's business, including the Company's products, markets and economics, as well as the strengths and weaknesses of the Company

and its competitors. The Company shall periodically provide directors with information and educational opportunities, as necessary or requested, to facilitate this process.

Performance Evaluation; Succession Planning

18. **Annual CEO Evaluation.** The Compensation Committee will perform an evaluation at least annually of the performance of the CEO and will communicate the results of the review to the CEO. The Compensation Committee will establish the evaluation process and determine the specific criteria on which the performance of the CEO is evaluated. The CEO shall not be present during any Compensation Committee deliberations or voting with respect to his or her compensation.

19. **Succession Planning.** The Board has the responsibility to consider and evaluate potential successors to the CEO and senior management positions. The Compensation Committee is responsible for developing an ongoing process for the consideration and evaluation of successors. The CEO will discuss executive succession planning with the Compensation Committee and shall make available his or her recommendations and evaluations of potential successors to management positions, including a review of any development plans recommended for such individuals.

20. **Board Evaluation.** The Nominating and Corporate Governance Committee will conduct an annual evaluation of the performance of the Board and report its conclusions to the Board. Such report generally should include an assessment of the Board's compliance with the principles set forth in these guidelines, as well as identification of areas in which the Board could improve its performance.

Compensation

21. **Board Compensation Review.** The Nominating and Corporate Governance Committee will review director compensation and benefits and recommend any proposed changes to the Board for its approval. The Board will make changes in its director compensation practices only upon the recommendation of its Nominating and Corporate Governance Committee.

Share Ownership and Retention Guidelines

22. **Directors.** The Board believes that directors should be stockholders and have a financial stake in the Company. Each director should develop a meaningful ownership position in the Company over time. As such, the Board has adopted minimum stock ownership guidelines for directors and named executive officers. Each director is expected to own shares of Company stock or, unvested time-based restricted stock or exercisable in the money stock options with a market value of at least three times the cash component of the director’s annual retainer (excluding committee retainers) for service on the Board. Directors have five years to achieve the target ownership threshold. A director shall not dispose of any of his or her Company stock until such time as he or she attains the requisite ownership threshold, and thereafter shall maintain such equity ownership threshold. If a director falls out of compliance, he has twelve months to regain compliance.

23. **Chief Executive Officer.** The Board has also adopted stock ownership guidelines applicable to the Chief Executive Officer of the Company. The Chief Executive Officer is expected to own shares of Company stock with a market value of at least three times his or

her annual base salary. The Chief Executive Officer has five years to achieve the target ownership threshold and shall not dispose of any of his or her Company stock until such time as he or she attains the requisite ownership threshold, and thereafter shall maintain such equity ownership threshold. If the Chief Executive Officer falls out of compliance, he has twelve months to regain compliance.

Committees

24. **Number and Type of Committees.** The Board has established each of the following committees: Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee. The Board may add new committees or remove existing ones as it deems advisable in the fulfillment of its primary responsibilities. Each committee will perform its duties as assigned by the Board in compliance with the Company's By-laws and such committee's charter. Each Committee's duties are described briefly as follows:

Audit Committee. The Audit Committee assists the Board in oversight and monitoring of (i) the integrity of the Company's financial statements, (ii) the Company's compliance with legal and regulatory requirements, (iii) the independent auditors, including their qualifications and independence, (v) performance of the independent auditor and internal audit function (if any), (vi) the Company's systems of disclosure controls and procedures, internal controls over financial reporting, and (vii) the auditing, accounting, and financial reporting process generally.

Compensation Committee. The Compensation Committee discharges the overall responsibility of the Board relating to executive compensation and produces an annual Compensation Committee Report for inclusion in the Company's proxy statement. The Committee has overall responsibility for approving and evaluating all compensation plans, policies and programs of the Company as they affect the Company's executives.

Nominating and Corporate Governance Committee. The Nominating and Corporate Governance Committee identifies qualified individuals to become members of the Board and recommends to the Board proposed nominees for Board membership, recommends to the Board directors to serve on each committee of the Board, oversees the evaluation of the Board, and assesses the Board's effectiveness and develops and implements the Company's corporate governance guidelines.

Each Committee shall adopt and publish its own written charter. Each Committee's charter shall be available on the Company's website at www.kopin.com, and the Audit Committee shall also publish its charter periodically in the Company's annual proxy statement, to the extent required by the rules of the SEC. The charters will set forth the purposes, goals and responsibilities of the Committees as well as qualifications for committee membership, procedures for committee member appointment and removal, committee structure and operations and committee reporting to the Board.

25. **Composition of Committees; Committee Chairmen.** Each of the Audit, Compensation and Nominating and Corporate Governance Committees consist solely of directors who satisfy the applicable independence requirements of the Exchange Act, Nasdaq and other applicable laws, rules and regulations regarding independence in effect from time to time. Notwithstanding the foregoing, non-independent directors may serve on these committees to the extent allowed pursuant to any and all transitional requirements or exceptions which

may be applicable to the Company from time to time. Committee members shall also satisfy any and all additional requirements as specified in the charter of each respective committee. The Board is responsible for the appointment of committee members according to criteria that it determines to be in the best interest of the Company and its stockholders.

26. Committee Meetings and Agenda. The chairperson of each committee will develop, together with relevant Company management, such committee's general agenda and objectives and for setting the specific agenda for such committee's meetings. Such chairperson and committee members will determine the frequency and length of committee meetings consistent with each such committee's charter.

<u>Miscellaneous</u>

27. Confidentiality. The proceedings and deliberations of the Board and its committees will be treated as confidential. Each director will maintain the confidentiality of information received in connection with his or her service as a director.

28. Reliance on Management and Consultants. The Board will be entitled to rely upon management and such counsel, accountants, auditors and other expert advisors and consultants ("Consultants") as it deems appropriate. Except as otherwise provided in a committee charter, the Board will have the authority to select, retain, terminate and approve the fees and other retention terms of such Consultants, which fees will be borne by the Company.

29. Code of Business Conduct and Ethics. The Company has adopted a Code of Business Conduct and Ethics for Employees, Executive Officers and Directors, which shall be distributed to all directors, executive officers and employees and is available on the Company's website at www.kopin.com. Directors must comply in full with this Code at all times. Directors are expected to avoid any action, position or interest that conflicts with the interest of the Company, or gives the appearance of a conflict. The Company annually solicits information from directors in order to monitor potential **c**onflicts of interest and directors are expected to be mindful of their fiduciary obligations to the Company.

30. Risk Oversight. The Board has the responsibility of oversight of the major risks facing the Company, with the assistance of management, and has delegated risk oversight responsibility to the appropriate committees in the following areas: the Audit Committee oversees risks relating to financial statements and financial matters and reporting and the Compensation Committee oversees risks relating to the design and implementation of the Company's compensation policies and procedures.

31. Clawback Policy. The Company may recover any cash payment and any other award pursuant to any Company incentive plan made on or after January 1, 2009, whether or not deferred, to any executive officer where: (1) the incentive payment was predicated upon achievement by the Company of certain financial results that were subsequently the subject of a restatement of Company financial statements filed with the Securities and Exchange Commission; (2) the Board or an authorized Committee determines that the executive engaged in knowing or intentional fraudulent or illegal conduct that caused or substantially caused the need for the restatement; and (3) a lower incentive payment would have been made to the executive based upon the restated financial results. In any such case, the Company will, to the extent practicable, seek to recover from the individual executive the amount by which the individual executive's incentive payment for the relevant period exceeded the lower payment that would have been made based on the restated financial results. The Company will review and as necessary amend or replace this policy to be in full compliance with the Dodd-Frank Act when rules are adopted with respect to the Dodd-Frank Act's recoupment parameters.

32. **Review and Disclosure of Corporate Governance Principles.** The Nominating and Corporate Governance Committee shall review these corporate governance guides in an annual basis and recommend any changes to the Board for approval. These guidelines will be made available on the Company's website at www.kopin.com.