

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended June 30, 2011

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from ___ to ___

Commission File Number 0-22175



EMCORE Corporation

(Exact name of registrant as specified in its charter)

New Jersey

(State or other jurisdiction of incorporation or organization)

22-2746503

(I.R.S. Employer Identification No.)

10420 Research Road, SE, Albuquerque, New Mexico

(Address of principal executive offices)

87123

(Zip Code)

Registrant's telephone number, including area code: (505) 332-5000

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. x **Yes** " No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). x **Yes** " No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definition of "large accelerated filer", "accelerated filer", and "smaller reporting company" in Rule 12b-2 of the Exchange Act. " Large accelerated filer x **Accelerated filer** " Non-accelerated filer " Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). " Yes x **No**

The number of shares outstanding of the registrant's no par value common stock as of August 1, 2011 was 92,980,269.

**CAUTIONARY STATEMENT
REGARDING FORWARD-LOOKING STATEMENTS**

This Quarterly Report on Form 10-Q includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Exchange Act of 1934. These forward-looking statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are largely based on our current expectations and projections about future events and financial trends affecting the financial condition of our business. Such forward-looking statements include, in particular, projections about our future results included in our Exchange Act reports, statements about our plans, strategies, business prospects, changes and trends in our business and the markets in which we operate. These forward-looking statements may be identified by the use of terms and phrases such as “anticipates”, “believes”, “can”, “could”, “estimates”, “expects”, “forecasts”, “intends”, “may”, “plans”, “projects”, “targets”, “will”, and similar expressions or variations of these terms and similar phrases. Additionally, statements concerning future matters such as the development of new products, enhancements or technologies, sales levels, expense levels, and other statements regarding matters that are not historical are forward-looking statements. Management cautions that these forward-looking statements relate to future events or our future financial performance and are subject to business, economic, and other risks and uncertainties, both known and unknown, that may cause actual results, levels of activity, performance, or achievements of our business or our industry to be materially different from those expressed or implied by any forward-looking statements. Factors that could cause or contribute to such differences in results and outcomes include without limitation those discussed under Item 1A - Risk Factors in our Annual Report on Form 10-K for the fiscal year ended September 30, 2010, as updated by our subsequent periodic reports. These cautionary statements apply to all forward-looking statements wherever they appear in this Quarterly Report.

Neither management nor any other person assumes responsibility for the accuracy and completeness of any forward-looking statement. All forward-looking statements in this Quarterly Report are made as of the date hereof, based on information available to us as of the date hereof, and subsequent facts or circumstances may contradict, obviate, undermine, or otherwise fail to support or substantiate such statements. We caution you not to rely on these statements without also considering the risks and uncertainties associated with these statements and our business that are addressed in this Quarterly Report and our Annual Report. Certain information included in this Quarterly Report may supersede or supplement forward-looking statements in our other reports filed with the SEC. We assume no obligation to update any forward-looking statement to conform such statements to actual results or to changes in our expectations, except as required by applicable law or regulation.

EMCORE Corporation
FORM 10-Q
For The Quarterly Period Ended June 30, 2011

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PART I. FINANCIAL INFORMATION
ITEM 1. Financial Statements

EMCORE CORPORATION
Condensed Consolidated Statements of Operations and Comprehensive Loss
For the three and nine months ended June 30, 2011 and 2010
(in thousands, except loss per share)
(unaudited)

	For the Three Months Ended June 30,		For the Nine Months Ended June 30,	
	2011	2010	2011	2010
Revenue	\$ 49,480	\$ 46,606	\$ 148,805	\$ 137,202
Cost of revenue	40,010	33,797	116,075	99,322
Gross profit	9,470	12,809	32,730	37,880
Operating expenses (income):				
Selling, general, and administrative	9,657	14,004	27,301	35,254
Research and development	9,549	7,147	24,724	22,256
Litigation settlements, net	1,465	—	(1,125)	—
Total operating expenses	20,671	21,151	50,900	57,510
Operating loss	(11,201)	(8,342)	(18,170)	(19,630)
Other income (expense):				
Interest income	—	3	—	22
Interest expense	(132)	(111)	(520)	(330)
Foreign exchange gain (loss)	625	(928)	1,039	(1,889)
Loss from equity method investment	(259)	—	(846)	—
Change in fair value of financial instruments	(107)	176	(1,417)	(634)
Other expense	(5)	(12)	(15)	(348)
Total other income (expense)	122	(872)	(1,759)	(3,179)
Net loss	\$ (11,079)	\$ (9,214)	\$ (19,929)	\$ (22,809)
Foreign exchange translation adjustment	(304)	444	(612)	810
Comprehensive loss	\$ (11,383)	\$ (8,770)	\$ (20,541)	\$ (21,999)
Per share data:				
Net loss per basic share	\$ (0.12)	\$ (0.11)	\$ (0.23)	\$ (0.28)
Net loss per diluted share	\$ (0.12)	\$ (0.11)	\$ (0.23)	\$ (0.28)
Weighted-average number of basic shares outstanding	89,843	84,117	87,429	82,544
Weighted-average number of diluted shares outstanding	89,843	84,117	87,429	82,544

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

EMCORE CORPORATION
Condensed Consolidated Balance Sheets
As of June 30, 2011 and September 30, 2010
(in thousands)
(unaudited)

	As of June 30, 2011	As of September 30, 2010
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 18,829	\$ 19,944
Restricted cash	2,226	1,298
Accounts receivable, net of allowance of \$3,380 and \$8,399, respectively	37,858	40,125
Inventory	32,506	32,056
Prepaid expenses and other current assets	7,161	5,312
Total current assets	98,580	98,735
Property, plant, and equipment, net	44,155	46,990
Goodwill	20,384	20,384
Other intangible assets, net	9,231	10,738
Equity method investment	2,758	—
Other non-current assets, net of allowance of \$2,469 and \$0, respectively	3,768	991
Total assets	\$ 178,876	\$ 177,838
LIABILITIES and SHAREHOLDERS' EQUITY		
Current liabilities:		
Borrowings from credit facility	\$ 14,359	\$ 10,573
Accounts payable	26,997	26,156
Warrant liability	2,088	—
Accrued expenses and other current liabilities	26,485	27,115
Total current liabilities	69,929	63,844
Warrant liability	—	475
Other long-term liabilities	6	87
Total liabilities	69,935	64,406
Commitments and contingencies		
Shareholders' equity:		
Preferred stock, \$0.0001 par value, 5,882 shares authorized; none issued or outstanding	—	—
Common stock, no par value, 200,000 shares authorized; 93,106 shares issued and 92,947 shares outstanding as of June 30, 2011; 85,346 shares issued and 85,187 shares outstanding as of September 30, 2010	710,023	701,997
Accumulated deficit	(599,164)	(587,259)
Accumulated other comprehensive income	165	777
Treasury stock, at cost; 159 shares as of June 30, 2011 and September 30, 2010	(2,083)	(2,083)
Total shareholders' equity	108,941	113,432
Total liabilities and shareholders' equity	\$ 178,876	\$ 177,838

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

EMCORE CORPORATION
Condensed Consolidated Statements of Cash Flows
For the nine months ended June 30, 2011 and 2010
(in thousands)
(unaudited)

	For the Nine Months Ended June 30,	
	2011	2010
Cash flows from operating activities:		
Net loss	\$ (19,929)	\$ (22,809)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization expense	8,903	9,266
Stock-based compensation expense	5,572	8,228
Provision for doubtful accounts	63	1,957
Provision for product warranty	312	669
Loss from equity method investment	846	—
Change in fair value of financial instruments	1,417	634
Cost of financing instruments	—	322
Loss on disposal of equipment	—	89
Total non-cash adjustments	17,113	21,165
Changes in operating assets and liabilities:		
Accounts receivable	2,371	(1,033)
Inventory	(398)	(2,262)
Other assets	(4,515)	(208)
Accounts payable	825	2,218
Accrued expenses and other current liabilities	2,064	(2,302)
Total change in operating assets and liabilities	347	(3,587)
Net cash used in operating activities	(2,469)	(5,231)
Cash flows from investing activities:		
Purchase of equipment	(3,274)	(830)
Investment in patents	(475)	(524)
Proceeds from the sale of available-for-sale securities	—	150
Investments in an unconsolidated affiliate	(12,000)	—
Consulting fees received related to unconsolidated affiliate	5,500	—
Purchase of a business	(750)	—
Release (increase) of restricted cash	(928)	1,246
Net cash provided by (used in) investing activities	(11,927)	42
Cash flows from financing activities:		
Net proceeds from borrowings from credit facilities	3,786	600
Proceeds from private placement transaction	9,653	—
Net payments on short-term debt	—	(163)
Net proceeds from equity line of credit	—	1,980
Proceeds from stock plans	874	990
Payments on capital lease obligations	(4)	—
Net cash provided by financing activities	14,309	3,407
Effect of foreign currency	(1,028)	2,158
Net increase (decrease) in cash and cash equivalents	(1,115)	376
Cash and cash equivalents at beginning of period	19,944	14,028
Cash and cash equivalents at end of period	\$ 18,829	\$ 14,404
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid during the period for interest	\$ 813	\$ 227
Cash paid during the period for income taxes	\$ —	\$ —
NON-CASH INVESTING AND FINANCING ACTIVITIES		
Issuance of common stock under equity line of credit	\$ —	\$ 228
Prior consulting fees received related to unconsolidated affiliate	\$ 3,000	\$ —

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

EMCORE Corporation
Notes to Condensed Consolidated Financial Statements

NOTE 1. Basis of Presentation

The accompanying unaudited condensed consolidated financial statements include the accounts of EMCORE Corporation and its subsidiaries (or the "Company", "EMCORE", "we", or "our"). All intercompany accounts and transactions have been eliminated in consolidation.

These statements have been prepared in accordance with accounting principles generally accepted in the United States of America, or U.S. GAAP, for interim information, and with the instructions to Form 10-Q and Rule 10-01 of Regulation S-X of the Securities and Exchange Commission, or the SEC. Accordingly, they do not include all of the information and footnotes required by U.S. GAAP for annual financial statements. In our opinion, the interim financial statements reflect all normal adjustments that are necessary to provide a fair presentation of the financial results for the interim periods presented. Operating results for interim periods are not necessarily indicative of results that may be expected for an entire fiscal year. The condensed consolidated balance sheet as of September 30, 2010 has been derived from the audited consolidated financial statements as of such date. For a more complete understanding of our financial position, operating results, risk factors, and other matters, please refer to our Annual Report on Form 10-K for the fiscal year ended September 30, 2010.

Certain prior period information has been reclassified to conform to the current period presentation. These changes had no impact on the Company's previously reported financial position, results of operations, or cash flows.

Liquidity and Capital Resources

As of June 30, 2011, cash and cash equivalents was approximately \$18.8 million and working capital totaled \$28.7 million. For the nine months ended June 30, 2011, net cash used by operating activities totaled \$2.5 million.

With respect to measures taken to improve liquidity, we entered into a three-year \$35 million asset-backed revolving credit facility with Wells Fargo Bank, or Wells Fargo, in November 2010 which can be used for working capital, letters of credit, and other general corporate purposes. The credit facility is secured by substantially all of our assets and is subject to a borrowing base formula based on our eligible accounts receivable and inventory accounts. We expect at least 40% of the total amount of credit under the credit facility to be available for use based on the borrowing base formula for the next twelve months.

The credit facility contains customary representations and warranties, affirmative and negative covenants, and certain events of default, including a subjective acceleration clause. Under this clause, Wells Fargo may declare an event of default if they believe in good faith that our ability to pay all or any portion of our indebtedness with Wells Fargo or to perform any of our material obligations under the credit facility has been impaired, or if they believe in good faith that there has been a material adverse change in our business or financial condition. If an event of default is not cured within the grace period (if applicable), then Wells Fargo may, among other things, accelerate repayment of amounts borrowed under the credit facility, cease making advances under the credit facility, or take possession of the Company's assets that secure our obligations under the credit facility. We do not anticipate at this time any change in our business or financial condition that could be deemed a material adverse change by Wells Fargo. See [Footnote 10 - Credit Facilities](#) for additional information related to this credit facility.

In addition, we completed an equity private placement transaction in May 2011 with Shanghai Di Feng Investment Co. Ltd. pursuant to which we sold 4,407,603 shares of the Company's common stock for approximately \$9.7 million.

We believe that our existing balances of cash and cash equivalents, together with the cash expected to be generated from operations and amounts expected to be available under our credit facility with Wells Fargo will provide us with sufficient financial resources to meet our cash requirements for operations, working capital, and capital expenditures for the next 12 months. However, in the event of unforeseen circumstances, unfavorable market or economic developments, unfavorable results from operations, or if Wells Fargo declares an event of default on the credit facility, we may have to raise additional funds by any one or a combination of the following: issuing equity, debt or convertible debt, or selling certain product lines and/or portions of our business. There can be no guarantee that we will be able to raise additional funds on terms acceptable to us, or at all. A significant contraction in capital markets, particularly in the technology sector, may make it difficult for us to raise additional capital if or when it is required, especially if we experience negative operating results. If adequate capital is not available to us as required, or is not available on favorable terms, our business, financial condition, and results of operations may be adversely affected.

NOTE 2. Accounting Policies and Recent Accounting Pronouncements

Use of Estimates

The preparation of the condensed consolidated financial statements in conformity with U.S. GAAP for interim information requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities, as of the date of the financial statements, and the reported amounts of revenue and expenses during the reported period. The accounting estimates that require our most significant, difficult, and/or subjective judgments include:

- the valuation of inventory, goodwill, intangible assets, warrants, and stock-based compensation;
- assessment of recovery of long-lived assets;
- revenue recognition associated with the percentage of completion method; and,
- the allowance for doubtful accounts and warranty accruals.

We develop estimates based on historical experience and on various assumptions about the future that are believed to be reasonable based on the best information available to us. Our reported financial position or results of operations may be materially different under changed conditions or when using different estimates and assumptions, particularly with respect to significant accounting policies. In the event that estimates or assumptions prove to differ from actual results, adjustments are made in subsequent periods to reflect more current information.

Revenue Recognition

Revenue is recognized upon shipment, provided persuasive evidence of a contract exists, the price is fixed, the product meets our customer's specifications, title and ownership have transferred to the customer, and there is reasonable assurance of collection of the sales proceeds. The majority of our products have shipping terms that are free on board or free carrier alongside, or FCA, shipping point, which means that we fulfill our delivery obligation when the goods are handed over to the freight carrier at our shipping dock. This means the buyer bears all costs and risks of loss or damage to the goods from that point. In certain cases, we ship our products cost insurance and freight. Under this arrangement, revenue is recognized under FCA shipping point terms, but we pay (and invoice the customer) for the cost of shipping and insurance to the customer's designated location. We account for shipping and related transportation costs by recording the charges that are invoiced to customers as revenue, with the corresponding cost recorded as cost of revenue. In those instances where inventory is maintained at a consigned location, revenue is recognized only when our customer pulls product for use and after title and ownership has transferred to the customer. Revenue from time and material contracts is recognized at contractual rates as labor hours and direct expenses are incurred. Any warranty cost and remaining obligations that are inconsequential or perfunctory are accrued when the corresponding revenue is recognized.

Distributors. We use a number of distributors around the world and recognize revenue upon shipment of product to these distributors. Title and risk of loss pass to the distributors upon shipment, and our distributors are contractually obligated to pay us on standard commercial terms, just like our other direct customers. We do not sell to our distributors on consignment and, except in the event of product discontinuance, do not give distributors a right of return.

Solar Panel and Solar Power Systems Contracts. Pursuant to ASC 605-35, *Revenue Recognition - Construction-Type and Production*, we record revenue on long-term solar panel and solar power system contracts using either the percentage-of-completion method or the completed contract method. In general, the performance of these types of contracts involves the design, development, and manufacture of complex aerospace or electronic equipment to our customer's specifications. The percentage-of-completion method is used in circumstances in which all the following conditions exist:

- the contract includes enforceable rights regarding goods or services to be provided to the customer, the consideration to be exchanged, and the manner and terms of settlement;
- both the Company and the customer are expected to satisfy all of the contractual obligations; and,
- reasonably reliable estimates of total revenue, total cost, and the progress towards completion can be made.

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The percentage-of-completion method recognizes estimates for contract revenue and costs in progress as work on the contract continues. Estimates are revised as additional information becomes available. If estimates of costs to complete a contract indicate a loss, a provision is made at that time for the total loss anticipated on the contract.

We use the completed contract method if reasonably dependable estimates cannot be made or for which inherent hazards make estimates doubtful. Under the completed contract method, contract revenue and costs in progress are deferred as work on the contract continues. If a loss becomes evident on the contract, a provision is made at that time for the total loss anticipated on the contract. Total contract revenue and related costs are recognized upon the completion of the contract.

Government Research and Development Contracts. Revenue from research and development contracts represents reimbursement by various U.S. government entities, or their contractors, to aid in the development of new technology. The applicable contracts generally provide that we may elect to retain ownership of inventions made in performing the work, subject to a non-exclusive license retained by the U.S. government to practice the inventions for governmental purposes. The research and development contract funding may be based on a cost-plus, cost reimbursement, or a firm fixed price arrangement. The amount of funding under each research and development contract is determined based on cost estimates that include both direct and indirect costs. Cost-plus funding is determined based on actual costs plus a set margin. As we incur costs under cost reimbursement type contracts, revenue is recorded. Contract costs include material, labor, special tooling and test equipment, subcontracting costs, as well as an allocation of indirect costs. A research and development contract is considered complete when all significant costs have been incurred, milestones have been reached, and any reporting obligations to the customer have been met.

We also participate in cost-sharing research and development arrangements. Under such arrangements in which the actual costs of performance are split between the U.S. government and us on a best efforts basis, no revenue is recorded and our research and development expense is reduced for the amount of the cost-sharing receipts.

Multiple-Element Arrangements. Contracts with our customers usually relate to either the delivery of product or the completion of technology or engineering research and development contracts. In a very limited number of cases, a research contract may involve the creation and delivery of a customer-designed product sample based upon the research and development efforts completed. Pursuant to ASC 605-25-25-5, *Revenue Recognition - Multiple-Element Arrangements*, we have concluded that product revenue should not be considered a unit of accounting separate from the service revenue for these types of research contracts.

Contract Manufacturers. In our Fiber Optics segment, prior to certain customers accepting product that is manufactured at one of our contract manufacturers, these customers require that they first qualify the product and manufacturing processes at our contract manufacturer. The customers' qualification process determines whether the product manufactured at our contract manufacturer achieves their quality, performance, and reliability standards. After a customer completes the initial qualification process, we receive approval to ship qualified product to that customer. As part of the manufacturing process at our contract manufacturers, the finished product is tested prior to shipment to the customer using the same criteria that our customer uses to test product it receives. Revenue is recognized upon shipment of customer-qualified product, provided persuasive evidence of a contract exists, the price is fixed, the product meets our customer's specifications, title and ownership have transferred to the customer, and there is reasonable assurance of collection of the sales proceeds.

Asset Retirement and Environmental Obligations

Pursuant to ASC 410, *Asset Retirement and Environmental Obligations*, an asset retirement obligation is recorded when there is a legal obligation associated with the retirement of a tangible long-lived asset and the fair value of the liability can reasonably be estimated. Upon initial recognition of an asset retirement obligation, a company increases the carrying amount of the long-lived asset by the same amount as the liability. Over time, the liabilities are accreted for the change in their present value through charges to operations costs. The initial capitalized costs are depleted over the useful lives of the related assets through charges to depreciation, depletion, and/or amortization. If the fair value of the estimated asset retirement obligation changes, an adjustment is recorded to both the asset retirement obligation and the asset retirement cost. Revisions in estimated liabilities can result from revisions of estimated inflation rates, escalating retirement costs, and changes in the estimated timing of settling asset retirement obligations.

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We have known conditional asset retirement conditions, such as certain asset decommissioning and restoration of rented facilities to be performed in the future; however, these costs are not reasonably estimable due to insufficient information and uncertainty about the cost and timing related to the settlement of these obligations. Accordingly, these obligations have not been recorded in our condensed consolidated financial statements. We expect to perform a review of our asset retirement and environmental obligations in the fourth quarter of fiscal 2011 to determine if any amounts can be reasonably estimated.

Recent Accounting Pronouncements

There have been no recent accounting pronouncements or changes in accounting pronouncements since September 30, 2010 that are of significance or potential significance to us. We believe the impact of recently issued accounting standards that are not yet effective will not have a material impact on our condensed consolidated financial position, results of operations, or cash flows upon adoption.

NOTE 3. Equity

We provide long-term incentives to eligible officers, directors, and employees in the form of stock-based awards. We maintain two stock award plans: the 2000 Stock Option Plan, or the 2000 Plan, and the 2010 Equity Incentive Plan, or the 2010 Equity Plan and, together with the 2000 Plan, the Stock Plans. The 2000 Plan expired in February 2010 and no additional shares are available for grant under this plan. We issue new shares of common stock to satisfy awards issued under our Stock Plans.

On June 14, 2011, our shareholders approved an increase in the number of stock-based awards that may be granted under the 2010 Equity Plan from 4,000,000 to 7,000,000 stock-based awards.

Stock Options

Most of our stock options vest and become exercisable over four to five years and have a contractual life of ten years. Certain stock options awarded are intended to qualify as incentive stock options pursuant to Section 422A of the Internal Revenue Code. The following tables summarize the activity related to stock options under the Stock Plans:

	Number of Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (in years)
Outstanding as of September 30, 2010	8,722,125	\$4.70	7.02
Granted	917,500		
Exercised	(197,960)		
Forfeited	(200,276)		
Cancelled	(143,842)		
Outstanding as of June 30, 2011	9,097,547	\$4.47	6.60
Exercisable as of June 30, 2011	5,388,106	\$5.69	5.56
Vested and expected to vest as of June 30, 2011	8,623,099	\$4.59	6.50

As of June 30, 2011	Number of Stock Options Outstanding			Options Exercisable	
Exercise Price of Stock Options	Number Outstanding	Weighted- Average Exercise Price	Weighted Average Remaining Contractual Life (in years)	Number Exercisable	Weighted- Average Exercise Price
\$0.54 to \$1.25	2,835,750	\$1.19	8.29	499,867	\$1.23
\$1.26 to \$5.76	3,140,098	\$3.76	5.51	2,352,748	\$3.94
\$5.80 to \$8.38	2,607,136	\$8.05	6.14	2,127,203	\$8.03
\$8.49 to \$12.57	514,563	\$9.13	5.71	408,288	\$9.14
Total	9,097,547	\$4.47	6.60	5,388,106	\$5.69

As of June 30, 2011, there was approximately \$5.3 million of unrecognized stock-based compensation expense, net of estimated annual forfeitures, related to non-vested stock options granted under the Stock Plans which is expected to be recognized over an estimated weighted average life of 2.3 years.

Intrinsic value for stock options represents the “in-the-money” portion or the positive variance between a stock option's exercise price and the underlying stock price. The total intrinsic value related to stock options exercised during the three and nine months ended June 30, 2011 was approximately \$20,000 and \$176,000, respectively. No stock options were exercised during the nine months ended June 30, 2010. The intrinsic value related to fully vested and expected to vest stock options as of June 30, 2011 and 2010 was approximately \$4.7 million and \$5,000, respectively. The intrinsic value related to exercisable stock options as of June 30, 2011 and 2010 was approximately \$1.1 million and \$3,000, respectively.

Restricted Stock

The following tables summarize the activity related to restricted stock awards under the 2010 Equity Plan:

	Number of Shares	Weighted Average Grant Date Fair Value
Non-vested as of September 30, 2010	—	—
Granted	1,715,900	\$1.45
Vested	—	—
Cancelled	(55,000)	\$1.42
Non-vested as of June 30, 2011	1,660,900	\$1.45

As of June 30, 2011, there was approximately \$1.8 million of remaining unamortized stock-based compensation expense associated with restricted stock awards, which will be expensed over a weighted average remaining service period of approximately 2.6 years.

Employee Stock Purchase Plan

We maintain an Employee Stock Purchase Plan, or ESPP, that provides employees an opportunity to purchase common stock through payroll deductions. The ESPP is a 6-month duration plan and the purchase price is set at 85% of the average high and low market price of the Company's common stock on either the first or last day of the participation period, whichever is lower, and contributions are limited to the lower of 10% of an employee's compensation or \$25,000. We issue new shares of common stock to satisfy the issuance of shares under this stock-based compensation plan. On June 14, 2011, our shareholders approved an increase in the number of shares of common stock that may be granted under the ESPP from 4,500,000 shares to 7,000,000 shares. The amount of shares issued in the ESPP are as follows:

	Number of Common Stock Shares	Purchase Price per Share of Common Stock
Number of shares reserved for the ESPP	7,000,000	
Number of shares issued for calendar years 2000 through 2008	(1,716,446)	\$0.88 - \$40.93
Number of shares issued for calendar year 2009	(1,073,405)	\$0.92
Number of shares issued for calendar year 2010	(651,700)	\$0.74
Number of shares issued for calendar year 2011	(781,802)	\$0.71
Remaining number of shares reserved for the ESPP	<u>2,776,647</u>	

Officer and Director Share Purchase Plan

On January 21, 2011, the Compensation Committee of the Board of Directors approved an Officer and Director Share Purchase Plan, or ODPP, which allows executive officers and directors to purchase shares of the Company's common stock at fair market value in lieu of salary or, in the case of directors, director fees. Eligible individuals may voluntarily participate in the ODPP by authorizing payroll deductions or, in the case of directors, deductions from director fees for the purpose of purchasing common stock. Elections to participate in the ODPP may only be made during open trading windows under our insider trading policy when the participant does not otherwise possess material non-public information concerning the Company. The Board of Directors has authorized 500,000 shares to be made available for purchase by officers and directors under the ODPP. As of June 30, 2011, 21,030 shares had been purchased under the ODPP.

Stock-based compensation

The effect of recording stock-based compensation expense was as follows:

<i>(in thousands, except per share data)</i>	For the Three Months Ended June 30,		For the Nine Months Ended June 30,	
	2011	2010	2011	2010
Stock-based compensation expense by award type:				
Employee stock options	\$ 2,223	\$ 1,994	\$ 3,945	\$ 6,927
Restricted stock awards	213	—	303	—
Employee stock purchase plan	207	101	419	417
Total stock-based compensation expense	\$ 2,643	\$ 2,095	\$ 4,667	\$ 7,344
Stock-based compensation expense by expense category:				
Cost of revenue	\$ 498	\$ 474	\$ 754	\$ 1,349
Selling, general, and administrative	1,247	1,026	2,571	4,702
Research and development	898	595	1,342	1,293
Total stock-based compensation expense	\$ 2,643	\$ 2,095	\$ 4,667	\$ 7,344
Net effect on net loss per basic and diluted share	\$ (0.03)	\$ (0.02)	\$ (0.05)	\$ (0.09)

We also incur stock-based compensation expense related to other compensatory stock issuances which include a company-match in the form of common stock for the employees' 401(k) savings plan and outside director fees. For the three and nine months ended June 30, 2011, other compensatory stock expense totaled \$0.3 million and \$0.9 million, respectively. For the three and nine months ended June 30, 2010, other compensatory stock expense totaled \$0.4 million and \$0.9 million, respectively.

Valuation Assumptions

The fair value of each stock option grant is estimated on the date of grant using the Black-Scholes option valuation model and the straight-line attribution approach using the following weighted-average assumptions. The option-pricing model requires the input of highly subjective assumptions, including the option's expected life and the price volatility of the underlying stock. The weighted-average grant date fair value of stock options granted during the three and nine months ended June 30, 2011 was \$1.73 and \$1.06, respectively. There were no stock options granted during the three months ended June 30, 2010. The weighted-average grant date fair value of stock options granted during the nine months ended June 30, 2010 was \$0.77.

Assumptions used in Black-Scholes Option Valuation Model	For the Three Months Ended June 30,		For the Nine Months Ended June 30,	
	2011	2010	2011	2010
Expected dividend yield	—	—	—	—
Expected stock price volatility	101.3%	—%	99.2%	97.1%
Risk-free interest rate	1.7%	—%	1.4%	2.4%
Expected term (in years)	5.0	—	4.9	4.6

Warrants

As of June 30, 2011 and September 30, 2010, 3,000,003 warrants were outstanding. On February 20, 2008, in conjunction with a private placement transaction, we issued 1,400,003 warrants representing the right to purchase up to an aggregate of 1,400,003 shares of the Company's common stock, or the 2008 Warrants. On October 1, 2009, we entered into an equity line of credit with Commerce Court Small Cap Value Fund, Ltd. wherein we issued three warrants representing the right to purchase up to an aggregate of 1,600,000 shares of the Company's common stock, or the 2009 Warrants, and together with the 2008 Warrants, the 2008 and 2009 Warrants.

During the quarter ended March 31, 2011, we determined that the 2008 Warrants should have been accounted for as a liability since these warrants met the definition of a derivative instrument and did not qualify for equity classification. The valuation of the warrants was based on a Monte Carlo option pricing model which resulted in a fair value of approximately \$8.2 million, \$1.8 million, \$0.4 million, \$0.1 million, and \$0.2 million as of February 20, 2008, September 30, 2008, September 30, 2009, September 30, 2010 and December 31, 2010, respectively. During the three months ended March 31, 2011, we adjusted common stock and accumulated deficit, both equity-related accounts, by \$8,218,000 and \$8,022,000, respectively, and recorded the liability related to the fair value of the warrants as of January 1, 2011 of \$196,000 to correct the initial accounting treatment of the warrants from equity to liability accounting as an out-of-period adjustment. We also reclassified the 2008 and 2009 Warrants from a non-current liability to a current liability during the quarter ended March 31, 2011 since these warrant agreements include a fundamental transaction clause whereby, in the event that another person becomes the beneficial owner of 50% of the outstanding shares of the Company's common stock, and if other conditions are met, we may be required to purchase the warrants from the holders by paying cash in an amount equal to the Black-Scholes value of the remaining unexercised portion of the warrants on the date of such fundamental transaction. See [Footnote 15 - Fair Value Accounting](#) for additional information related to the valuation of our warrants.

Private Placement

On May 31, 2011, we completed an equity private placement transaction with Shanghai Di Feng Investment Co. Ltd. pursuant to which we sold 4,407,603 shares of our common stock for approximately \$9.7 million.

The common stock was offered solely to "accredited investors" as defined in Regulation D promulgated under the Securities Act of 1933, as amended, the Act, in reliance on the exemptions from registration afforded by Section 4(2) of the Act. In connection with this transaction, we also entered into a registration rights agreement pursuant to which we agreed to register the shares issued with the SEC on a Form S-1 registration statement within 60 days of the closing date of the transaction and to use commercially reasonable efforts to have the registration statement declared effective within 120 days of the closing date. We filed the registration statement on Form S-1 with the SEC on July 25, 2011. If the registration statement is not declared effective within specified time periods, or upon the occurrence of certain other events that would prevent Shanghai Di Feng Investment Co. Ltd. from selling the acquired shares, Shanghai Di Feng Investment Co. Ltd. would be entitled to receive liquidated damages, up to certain maximums and other limitations, in cash equal to 1.5% of the purchase price for each share that at such time remains subject to resale restrictions.

Future Issuances

As of June 30, 2011, we had 19.8 million shares of common stock reserved for future issuances as follows:

	Number of Common Stock Shares Available for Future Issuances
For future exercise of outstanding stock options	9,097,547
For future issuances to employees under the ESPP	2,776,647
For future stock-based awards under the 2010 Equity Plan	4,464,600
For future exercise of warrants	3,000,003
For future issuance under the ODPP	478,970
Total reserved	19,817,767

NOTE 4. Receivables

The components of accounts receivable consisted of the following:

<i>(in thousands)</i>	As of June 30, 2011	As of September 30, 2010
Accounts receivable	\$ 35,769	\$ 37,574
Accounts receivable – unbilled	5,469	10,950
Accounts receivable, gross	41,238	48,524
Allowance for doubtful accounts	(3,380)	(8,399)
Accounts receivable, net	\$ 37,858	\$ 40,125

Unbilled accounts receivable represents revenue recognized but not yet billed as of the period ended. Billings on contracts using the percentage-of-completion method usually occur upon completion of predetermined contract milestones or other contract terms, such as customer approval. The allowance for doubtful accounts is based on the age of receivables and a specific identification of receivables considered at risk of collection.

As of June 30, 2011 and September 30, 2010, we had \$5.4 million and \$18.4 million, respectively, of accounts receivable recorded using the percentage of completion method. Of these amounts, \$1.7 million was invoiced and \$3.7 million was unbilled as of June 30, 2011; and, \$8.8 million was invoiced and \$9.6 million was unbilled as of September 30, 2010. The allowance for doubtful accounts specifically related to receivables recorded using the percentage-of-completion method totaled \$5.1 million as of September 30, 2010, and as noted below, this allowance was reclassified to a non-current receivable account.

During the three months ended March 2011, we entered into an accounts receivable settlement agreement related to a large fixed-priced international solar power system contract that was accounted for using the percentage-of-completion method. Based upon the terms of the settlement agreement, we reclassified a net accounts receivable balance of approximately \$2.0 million from a current receivable account to a long-term receivable account within other non-current assets, leaving approximately \$0.2 million as a current receivable which is expected to be paid within the next twelve months. The reclass consisted of a billed receivable balance of \$5.8 million, unbilled receivable balance of \$1.5 million, along with an allowance for doubtful accounts that totaled \$5.3 million. During the three months ended June 30, 2011, we wrote off \$2.9 million related to the long-term receivable that was fully reserved for.

The following table summarizes the changes in the allowance for doubtful accounts within accounts receivable:

(in thousands)

	For the Nine Months Ended June 30,	
	2011	2010
Balance at beginning of period	\$ 8,399	\$ 7,125
Provision adjustment - expense, net of recoveries	63	1,957
Reclass of allowance for doubtful accounts to a long-term receivables account	(5,254)	—
Impact from foreign exchange translation adjustment	181	(421)
Write-offs - deductions against receivables	(9)	(1,060)
Balance at end of period	<u>\$ 3,380</u>	<u>\$ 7,601</u>

NOTE 5. Inventory

The components of inventory consisted of the following:

(in thousands)

	As of June 30, 2011	As of September 30, 2010
Raw materials	\$ 13,345	\$ 13,632
Work in-process	7,678	6,496
Finished goods	11,483	11,928
Inventory	<u>\$ 32,506</u>	<u>\$ 32,056</u>

NOTE 6. Property, Plant, and Equipment

The components of property, plant, and equipment consisted of the following:

(in thousands)

	As of June 30, 2011	As of September 30, 2010
Land	\$ 1,502	\$ 1,502
Building and improvements	34,910	34,854
Equipment	104,104	101,310
Furniture and fixtures	3,065	3,065
Computer hardware and software	3,706	3,616
Leasehold improvements	971	854
Construction in progress	2,045	992
Property, plant, and equipment, gross	150,303	146,193
Accumulated depreciation	(106,148)	(99,203)
Property, plant, and equipment, net	<u>\$ 44,155</u>	<u>\$ 46,990</u>

On March 28, 2011, we acquired certain assets of Soliant Energy, Inc. of Monrovia, CA for \$750,000. We have not completed the accounting for this acquisition, however at this time, we believe that the entire purchase price will be allocated to equipment. As of June 30, 2011, we allocated the entire purchase price to equipment on a preliminary basis.

NOTE 7. Goodwill

The Company's goodwill is associated with the Photovoltaics segment. As of September 30, 2010, we performed an interim goodwill impairment test which indicated that no impairment existed and that fair value exceeded carrying value by approximately 40%. As of December 31, 2010, we performed an annual goodwill impairment test which indicated that no impairment existed. As of June 30, 2011, there have been no significant changes in the underlying assumptions used to prepare this test, nor have we identified any indications of impairment or triggering events through the nine months ended June 30, 2011. However, we will continue to monitor any changes in circumstances or triggering events that might indicate impairment of our goodwill. If there is erosion of the Company's market capitalization or the Photovoltaics reporting unit is unable to achieve its projected cash flows, we may be required to perform additional impairment tests. The outcome of these additional tests may result in the recording of goodwill impairment charges.

NOTE 8. Intangible Assets

The following table sets forth changes in the carrying value of intangible assets by reporting segment:

<i>(in thousands)</i>	As of June 30, 2011			As of September 30, 2010		
	Gross Assets	Accumulated Amortization	Net Assets	Gross Assets	Accumulated Amortization	Net Assets
Fiber Optics:						
Core Technology	\$ 15,555	\$ (10,478)	\$ 5,077	\$ 15,555	\$ (9,275)	\$ 6,280
Customer Relations	4,381	(1,964)	2,417	4,381	(1,644)	2,737
Patents	4,863	(4,206)	657	4,725	(4,021)	704
	<u>24,799</u>	<u>(16,648)</u>	<u>8,151</u>	<u>24,661</u>	<u>(14,940)</u>	<u>9,721</u>
Photovoltaics:						
Patents	2,279	(1,199)	1,080	1,941	(924)	1,017
	<u>2,279</u>	<u>(1,199)</u>	<u>1,080</u>	<u>1,941</u>	<u>(924)</u>	<u>1,017</u>
Total	<u>\$ 27,078</u>	<u>\$ (17,847)</u>	<u>\$ 9,231</u>	<u>\$ 26,602</u>	<u>\$ (15,864)</u>	<u>\$ 10,738</u>

As of September 30, 2010, we performed an impairment test on our long-lived assets related to our Fiber Optics segment. The impairment test indicated that the sum of the projected undiscounted cash flows expected to result from the use and eventual disposition of the asset group exceeded the carrying amount of the asset group by over 150%. As of June 30, 2011, there have been no significant changes in the underlying assumptions used to prepare this test, nor have we identified any indications of impairment or triggering events through the nine months ended June 30, 2011. However, we will continue to monitor any changes in circumstances or triggering events that might indicate impairment of our long-lived assets. If we are unable to achieve projected cash flows, we may be required to perform impairment tests of its remaining long-lived assets. The outcome of these tests may result in recording of impairment charges.

Amortization expense related to intangible assets is generally included in sales, general, and administrative expense on the condensed consolidated statements of operations. Based on the carrying amount of the intangible assets as of June 30, 2011, the estimated future amortization expense is as follows:

<i>(in thousands)</i>	Estimated Future Amortization Expense
Three months ended September 30, 2011	\$ 645
Fiscal year ended September 30, 2012	2,333
Fiscal year ended September 30, 2013	1,997
Fiscal year ended September 30, 2014	1,462
Fiscal year ended September 30, 2015	1,036
Thereafter	1,758
Total	<u>\$ 9,231</u>

NOTE 9. Accrued Expenses and Other Current Liabilities

The components of accrued expenses and other current liabilities consisted of the following:

(in thousands)

	As of June 30, 2011	As of September 30, 2010
Compensation-related	\$ 7,223	\$ 4,001
Warranty	4,715	4,851
Termination fee	2,775	2,775
Professional fees	607	2,530
Royalty	1,670	1,772
Advanced payments	4,598	7,437
Self insurance	978	957
Income and other taxes	992	747
Loss on sale contracts	396	561
Restructuring accruals	484	780
Loss on purchase commitments	—	86
Litigation settlements	1,465	—
Other	582	618
Accrued expenses and other current liabilities	<u>\$ 26,485</u>	<u>\$ 27,115</u>

We provide our customers with limited rights of return for non-conforming shipments and warranty claims for certain products. Pursuant to ASC 450, *Contingencies*, we make estimates of product warranty expense using historical experience rates as a percentage of revenue and/or costs of revenue and accrue estimated warranty expense as a cost of revenue. We estimate the costs of our warranty obligations based on historical experience of known product failure rates and anticipated rates if warranty claims, use of materials to repair or replace defective products, and service delivery costs incurred in correcting product issues. In addition, from time to time, specific warranty accruals may be made if unforeseen technical problems arise. Should our actual experience relative to these factors differ from our estimates, we may be required to record additional warranty reserves. Alternatively, if we provide more reserves than needed, we may reverse a portion of such provisions in future periods. The following table summarizes the changes in the product warranty accrual accounts:

(in thousands)	For the Nine Months Ended June 30,	
	2011	2010
Balance at beginning of period	\$ 4,851	\$ 4,287
Provision adjustment – expense	312	669
Utilization of warranty accrual	(448)	(571)
Balance at end of period	<u>\$ 4,715</u>	<u>\$ 4,385</u>

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Our restructuring-related accrual specifically relates to non-cancelable lease payments on an abandoned facility. The following table summarizes the changes in the severance and restructuring-related accrual accounts:

<i>(in thousands)</i>	<u>Severance-related accruals</u>	<u>Restructuring-related accruals</u>	<u>Total</u>
Balance as of September 30, 2010	\$ 180	\$ 600	\$ 780
Expense - charge to accrual	39	—	39
Payments on accrual	(185)	(150)	(335)
Balance as of June 30, 2011	<u>\$ 34</u>	<u>\$ 450</u>	<u>\$ 484</u>

NOTE 10. Credit Facilities

On November 11, 2010, we entered into a Credit and Security Agreement, or credit facility, with Wells Fargo. The agreement provides us with a three-year revolving credit facility of up to \$35 million that can be used for working capital requirements, letters of credit, and other general corporate purposes. The credit facility is secured by substantially all of the Company's assets and is subject to a borrowing base formula based on eligible accounts receivable and inventory accounts. We expect at least 40% of the total amount of credit under the credit facility to be available for use based on the borrowing base formula for the next twelve months. We capitalized \$0.5 million as financing costs associated with the credit facility which will be amortized over a three-year period.

The credit facility contains customary representations and warranties, and affirmative and negative covenants, including, among other things, cash balance and excess availability requirements, minimum tangible net worth and EBITDA covenants and limitations on liens and certain additional indebtedness and guarantees. As of June 30, 2011, we were in compliance with the financial covenants contained in the credit facility since cash on deposit and excess availability exceeded the \$7.5 million financial covenant requirement.

The credit facility also contains certain events of default, including a subjective acceleration clause. Under this clause, Wells Fargo may declare an event of default if they believe in good faith that our ability to pay all or any portion of our indebtedness with Wells Fargo or to perform any of our material obligations under the credit facility has been impaired, or if they believe in good faith that there has been a material adverse change in our business or financial condition. If an event of default is not cured within the grace period (if applicable), then Wells Fargo may, among other things, accelerate repayment of amounts borrowed under the credit facility, cease making advances under the credit facility, or take possession of the Company's assets that secure our obligations under the credit facility. We do not anticipate at this time any change in our business or financial condition that could be deemed a material adverse change by Wells Fargo.

On November 12, 2010, we borrowed \$5.6 million under the credit facility and used the proceeds to repay the entire \$5.2 million debt outstanding under the Company's Loan and Security Agreement, dated as of September 29, 2008, with Bank of America, N.A., or the prior credit facility. Afterwards, we terminated the prior credit facility and wrote off \$120,000 related to unamortized financing costs associated with the prior credit facility. We did not incur any penalties from Bank of America in connection with the termination of the prior credit facility.

As of June 30, 2011, the Company had a \$14.4 million LIBOR rate loan outstanding, with an interest rate of 3.25%, and approximately \$2.5 million reserved for eight outstanding standby letters of credit under the credit facility. As of July 12, 2011, we paid off the outstanding loan with cash on hand.

NOTE 11. Taxes

During the nine months ended June 30, 2011, there were no material increases or decreases in unrecognized tax benefits and management does not anticipate any material increases or decreases in the amounts of unrecognized tax benefits over the next twelve months. As of June 30, 2011, we had approximately \$185,000 of interest and penalties accrued as tax liabilities on the balance sheet. As of June 30, 2011 and September 30, 2010, our unrecognized gross tax benefit totaled \$338,000.

We file income tax returns in the U.S. federal, state, and local jurisdictions and, currently, no federal, state, and local income tax returns are under examination. The following tax years remain open to income tax examination for each of the more significant jurisdictions where we are subject to income taxes: after fiscal year 2007 for U.S. federal, after fiscal year 2006 for the state of California, and after fiscal year 2007 for the state of New Mexico.

NOTE 12. Commitments and Contingencies

Operating Leases

We lease certain land, facilities, and equipment under non-cancelable operating leases. The leases typically provide for rental adjustments for increases in base rent (up to specific limits), property taxes, insurance and general property maintenance that would be recorded as rent expense. Net facility and equipment rent expense under such leases was approximately \$0.7 million for both the three months ended June 30, 2011 and 2010 and approximately \$2.0 million for both the nine months ended June 30, 2011 and 2010. Estimated future minimum rental payments under non-cancelable operating leases with an initial or remaining term of one year or more as of June 30, 2011 are as follows:

(in thousands)

	Estimated Future Minimum Lease Payments	
Three months ended September 30, 2011	\$	498
Fiscal year ended September 30, 2012		1,243
Fiscal year ended September 30, 2013		896
Fiscal year ended September 30, 2014		183
Fiscal year ended September 30, 2015		183
Thereafter		2,668
Total minimum lease payments	\$	<u>5,671</u>

Capital Leases

As of June 30, 2011 and September 30, 2010, we did not have any significant capital lease agreements.

Suncore Joint Venture

As of June 30, 2011, we have contributed \$12.0 million as registered capital into our Suncore joint venture. We are not required by the joint venture agreement to contribute additional funds, and at this time, we do not anticipate contributing any additional funds to Suncore. The joint venture agreement provides for any working capital needs to be provided by San'an. See [Footnote 14 - Suncore Joint Venture](#) for additional information related to this joint venture.

U.S. Government Contracts

Our U.S. government contracts are subject to audits by U.S. government agencies. Such audits could result in adjustments to our contract costs. We have recorded contract revenue based upon costs we expect to realize upon final audit. We have been audited in the past by the U.S. government and expect that we will be in the future. We believe that the outcome of any ongoing government audits will not have a material adverse effect on our results of operations, financial condition, or cash flow.

Legal Proceedings

We are subject to various legal proceedings, claims, and litigation arising in the ordinary course of business. While the outcome of these matters is currently not determinable, we do not expect these matters will have a material adverse effect on our business, financial position, results of operations, or cash flows. However, the results of these matters cannot be predicted with certainty. Should we fail to prevail in any legal matter or should several legal matters be resolved against the Company in the same reporting period, then the financial results of that particular reporting period could be materially adversely affected.

During the three months ended June 30, 2011, we accrued \$1.5 million as an estimate for legal settlements considered probable. This accrual has been recorded as an expense and included within litigation settlements on the condensed consolidated statement of operations.

a) Intellectual Property Lawsuits

We protect our proprietary technology by applying for patents where appropriate and, in other cases, by preserving the technology, related know-how and information as trade secrets. The success and competitive position of our product lines are significantly impacted by our ability to obtain intellectual property protection for our research and development efforts.

We have, from time to time, exchanged correspondence with third parties regarding the assertion of patent or other intellectual property rights in connection with certain of our products and processes.

Additionally, on September 11, 2006, we filed a lawsuit against Optium Corporation, currently part of Finisar Corporation (Optium) in the U.S. District Court for the Western District of Pennsylvania for patent infringement of certain patents associated with our Fiber Optics segment. On March 28, 2011, we received a cash payment of approximately \$2.6 million in satisfaction of the judgment for damages that we were previously awarded, net of legal fees which were incurred on a contingency basis. The patent infringement award was recorded as a gain and included within litigation settlements on the condensed consolidated statement of operations.

b) Avago-related Litigation

On July 15, 2008, we were served with a complaint filed by Avago Technologies and what appear to be affiliates thereof in the United States District Court for the Northern District of California, San Jose Division (Avago Technologies U.S., Inc., et al., EMCORE Corporation, et al., Case No.: C08-3248 JW) (the "Commercial Case"). In this complaint, Avago asserts claims for breach of contract and breach of express warranty against Venture Corporation Limited (one of our customers) and asserts a tort claim for negligent interference with prospective economic advantage against us. We filed a Summary Judgment Motion in the Commercial Case asking the judge to dismiss all of Avago's claims on several grounds, including, *inter alia*, that California law, which is one of a handful of jurisdictions that even recognizes negligent interference with prospective economic advantage as a claim, does not apply in this case. On March 21, 2011, a hearing was held on the Summary Judgment Motion, and on May 20, 2011 we learned that the judge ruled against the Company in its motion for summary judgment. Discovery in this matter is proceeding.

On December 5, 2008, we were also served with a complaint by Avago Technologies filed in the United States District Court for the Northern District of California, San Jose Division alleging infringement of two patents by our VCSEL products. (Avago Technologies Singapore et al., EMCORE Corporation, et al., Case No.: C08-5394 EMC) (the "N.D. CA Patent Case"). This matter has been stayed pending final resolution of the International Trade Commission matter described immediately below.

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On March 5, 2009, we were notified that, based on a complaint filed by Avago alleging the same patent infringement that formed the basis of the complaint previously filed in the Northern District of California, the U.S. International Trade Commission (the “ITC”) had determined to begin an investigation titled “In the Matter of Certain Optoelectronic Devices, Components Thereof and Products Containing the Same”, Inv. No. 337-TA-669. This matter was tried before an administrative law judge of the ITC from November 16-20, 2009.

On March 12, 2010, we were advised that an initial determination had been issued by the administrative law judge of the ITC that found that one of the two patent claims asserted against us related to certain of our products was both valid and infringed. This initial determination was subject to review and confirmation by the ITC itself. On March 29, 2010, we filed a petition with the ITC for a review of certain portions of the initial determination that were adverse to us. The ITC declined to review the initial determination.

On July 12, 2010, the ITC issued its final determination, as well as a limited exclusion order and cease and desist order directed to our infringing products which prohibits importation of those products into the United States. Those remedial orders were reviewed by the President of the United States and his decision to approve those orders was issued on September 10, 2010, thereby prohibiting further importation of the infringing products. These remedial orders do not apply to any of the products sold by our customers that may contain infringing products.

The ITC does not have the authority to award damages for patent infringement; therefore, there was no financial penalty as a result of the final determination by the ITC. We formulated and implemented a product redesign intended to eliminate the impact of the accused infringement, the exclusion, and the cease and desist orders issued by the ITC. We continue to actively pursue its re-design strategy, including qualifying the newly re-designed products with certain of its major customers. The ITC decision will also not be binding in the N.D. CA Patent Case which will remain stayed until all appeals of the ITC decision have been exhausted. We are appealing the ITC's decision, and on November 8, 2010, we filed its notice of appeal with the United States Court of Appeals for the Federal Circuit. On May 9, 2011, Avago and the ITC filed their response briefs in this matter.

We intend to continue to vigorously defend against the allegations in the ITC case, the N.D. CA Patent Case, and the Commercial Case.

c) Green and Gold-related litigation

On December 23, 2008, Plaintiffs Maurice Prissert and Claude Prissert filed a purported stockholder class action (the “Prissert Class Action”) pursuant to Federal Rule of Civil Procedure 23 allegedly on behalf of a class of Company shareholders against the Company and certain of its present and former directors and officers (the “Individual Defendants”) in the United States District Court for the District of New Mexico captioned, *Maurice Prissert and Claude Prissert v. EMCORE Corporation, Adam Gushard, Hong Q. Hou, Reuben F. Richards, Jr., David Danzilio and Thomas Werthan, Case No. 1:08cv1190 (D.N.M.)*. The Complaint alleges that the Company and the Individual Defendants violated certain provisions of the federal securities laws, including Section 10(b) of the Securities Exchange Act of 1934, arising out of the Company's disclosure regarding its customer Green and Gold Energy (“GGE”) and the associated backlog of GGE orders with the Company's Photovoltaics business segment. The Complaint in the Prissert Class Action seeks, among other things, an unspecified amount of compensatory damages and other costs and expenses associated with the maintenance of the action. On or about February 12, 2009, a second purported stockholder class action (*Mueller v. EMCORE Corporation et al., Case No. 1:09cv 133 (D.N.M.)*) (the “Mueller Class Action”), together with the Prissert Class Action, the “Class Actions”) was filed in the United States District Court for the District of New Mexico against the same defendants named in the Prissert Class Action, based on substantially the same facts and circumstances, containing substantially the same allegations and seeking substantially the same relief.

Plaintiffs in both class actions have moved to consolidate the matters into a single action. On September 25, 2009, the court issued an order consolidating both the Prissert and Mueller actions into one consolidated proceeding, but denied plaintiffs motions for appointment of a lead plaintiff or lead plaintiff's counsel. On July 15, 2010, the court appointed IBEW Local Union No. 58 Annuity Fund to serve as lead plaintiff (“IBEW”), but denied, without prejudice, IBEW's motion to appoint lead counsel. On August 24, 2010, IBEW filed a renewed motion for appointment as lead plaintiff and for approval of its selection of counsel. IBEW filed a renewed motion for appointment of counsel on May 13, 2011 which we did not oppose. That motion remains pending.

On January 23, 2009, Plaintiff James E. Stearns filed a purported stockholder derivative action (the “Stearns Derivative Action”) on behalf of the Company against the Individual Defendants, as well as the Company as nominal defendant in the Superior Court of New Jersey, Atlantic County, Chancery Division (*James E. Stearns, derivatively on behalf of EMCORE*

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Corporation v. Thomas J. Russell, Robert Bogomolny, Charles Scott, John Gillen, Reuben F. Richards, Jr., Hong Q. Hou, Adam Gushard, David Danzilio and Thomas Werthan, Case No. Atl-C-10-09). This action is based on essentially the same factual contentions as the Prissert Class Action, and alleges that the Individual Defendants engaged in improprieties and violations of law in connection with the reporting of the GGE backlog. The Stearns Derivative Action seeks several forms of relief, allegedly on behalf of the Company, including, among other things, damages, equitable relief, corporate governance reforms, an accounting of, rescission of, restitution of, and costs and disbursements of the lawsuit.

On March 11, 2009, Plaintiff Gary Thomas filed a second purported shareholder derivative action (the “Thomas Derivative Action”; together with the Stearns Derivative Action, the “Derivative Actions”) in the U.S. District Court for the District of New Mexico against the Company and certain of the Individual Defendants (*Gary Thomas, derivatively on behalf of EMCORE Corporation v. Thomas J. Russell, Robert Bogomolny, Charles Scott, John Gillen, Reuben F. Richards, Jr., Hong Q. Hou, and EMCORE Corporation, Case No. 1.09-cv-00236, (D.N.M.)*). The Thomas Derivative Action makes the same allegations as the Stearns Derivative Action and seeks essentially the same relief.

The Stearns Derivative Action and the Thomas Derivative action have been consolidated before a single judge in Somerset County, New Jersey, and have been stayed pending resolution of the Class Actions.

We intend to vigorously defend against the allegations of both the Class Actions and the Derivative Actions.

NOTE 13. Segment Data and Related Information

We have four operating divisions and two reporting segments.

- Fiber Optics: EMCORE Digital Fiber Optics Products and EMCORE Broadband Fiber Optics Products are aggregated as a separate reporting segment, Fiber Optics. Our Fiber Optics segment offers optical components, subsystems, and systems for high-speed data and telecommunications, cable television (“CATV”), and fiber-to-the-premises (“FTTP”) networks.
- Photovoltaics: EMCORE Photovoltaics and EMCORE Solar Power are aggregated as a separate reporting segment, Photovoltaics. Our Photovoltaics segment provides products for both space and terrestrial applications. For space applications, we offer high-efficiency gallium arsenide (“GaAs”) multi-junction solar cells, covered interconnected cells (“CICs”), and solar panels. For terrestrial applications, we offer concentrating photovoltaic (“CPV”) power systems for commercial and utility scale solar applications as well as GaAs solar cells and integrated CPV components for use in other solar power concentrator systems.

We evaluate our reportable segments pursuant to ASC 280, *Segment Reporting*. The Company's Chief Executive Officer is the chief operating decision maker and he assesses the performance of the operating segments and allocates resources to segments based on their business prospects, competitive factors, net revenue, operating results and other non-GAAP financial ratios.

The following tables set forth the revenue and percentage of total revenue attributable to each of our reporting segments.

Segment Revenue (in thousands)	For the Three Months Ended June 30,			
	2011		2010	
	Revenue	% of Revenue	Revenue	% of Revenue
Fiber Optics	\$ 33,253	67%	\$ 31,483	68%
Photovoltaics	16,227	33%	15,123	32%
Total revenue	\$ 49,480	100%	\$ 46,606	100%

Segment Revenue

(in thousands)

	For the Nine Months Ended June 30,			
	2011		2010	
	Revenue	% of Revenue	Revenue	% of Revenue
Fiber Optics	\$ 94,737	64%	\$ 87,295	64%
Photovoltaics	54,068	36%	49,907	36%
Total revenue	\$ 148,805	100%	\$ 137,202	100%

The following table sets forth consolidated revenue by geographic region with revenue assigned to geographic regions based on our customers' billing address.

Geographic Revenue

(in thousands)

	For the Three Months Ended June 30,			
	2011		2010	
	Revenue	% of Revenue	Revenue	% of Revenue
North America	\$ 35,554	72%	\$ 31,000	67%
Far East Asia	10,910	22%	12,561	27%
Europe	2,581	5%	2,868	6%
Other	435	1%	177	—%
Total revenue	\$ 49,480	100%	\$ 46,606	100%

Geographic Revenue

(in thousands)

	For the Nine Months Ended June 30,			
	2011		2010	
	Revenue	% of Revenue	Revenue	% of Revenue
North America	\$ 105,725	71%	\$ 97,496	71%
Far East Asia	34,808	23%	30,544	22%
Europe	7,187	5%	8,122	6%
Other	1,085	1%	1,040	1%
Total revenue	\$ 148,805	100%	\$ 137,202	100%

The following table sets forth our significant customers, defined as customers that represented greater than 10% of total consolidated revenue, by reporting segment.

Significant Customers	For the Three Months Ended June 30,		For the Nine Months Ended June 30,	
	2011	2010	2011	2010
	Fiber Optics segment:			
Cisco Systems, Inc.	10%	14%	—	14%
Photovoltaics segment:				
Loral Space & Communications	—	—	12%	10%

The following table sets forth operating loss attributable to each of our reporting segments.

Statement of Operations Data (in thousands)	For the Three Months Ended June 30,		For the Nine Months Ended June 30,	
	2011	2010	2011	2010
Operating loss:				
Fiber Optics segment	\$ (7,554)	\$ (5,000)	\$ (17,250)	\$ (15,680)
Photovoltaics segment	(3,647)	(3,342)	(920)	(3,950)
Operating loss	\$ (11,201)	\$ (8,342)	\$ (18,170)	\$ (19,630)

The following table sets forth our significant non-cash expenses attributable to each of our reporting segments.

Segment Depreciation and Amortization (in thousands)	For the Three Months Ended June 30,		For the Nine Months Ended June 30,	
	2011	2010	2011	2010
Fiber Optics segment	1,644	1,721	4,935	5,272
Photovoltaics segment	1,289	1,309	3,968	3,994
Total depreciation and amortization	\$ 2,933	\$ 3,030	\$ 8,903	\$ 9,266

Long-lived assets consist primarily of property, plant, and equipment and also goodwill and intangible assets. The following table sets forth long-lived assets for each of our reporting segments.

Long-lived Assets <i>(in thousands)</i>	As of June 30, 2011	As of September 30, 2010
Fiber Optics segment	\$ 28,392	\$ 31,175
Photovoltaics segment	44,296	45,935
Corporate division (unallocated)	1,082	1,002
Long-lived assets	<u>\$ 73,770</u>	<u>\$ 78,112</u>

As of June 30, 2011 and September 30, 2010, approximately 87% of our long-lived assets were located in the United States.

Note 14. Suncore Joint Venture

On July 30, 2010, we entered into a joint venture agreement with San'an Optoelectronics Co., Ltd., or San'an, for the purpose of engaging in the development, manufacturing, and distribution of CPV receivers, modules, and systems for terrestrial solar power applications under a technology license from us. The joint venture, Suncore Photovoltaic Technology Co., Ltd., or Suncore, is a limited liability company under the laws of the People's Republic of China. The establishment of the Suncore entity occurred on January 12, 2011 after receiving Chinese regional government approval.

The total registered capital of Suncore is \$30 million, of which San'an has contributed \$18 million in cash and EMCORE has contributed \$12 million in cash. We are not required to contribute additional funds in excess of our initial \$12 million investment, and at this time, we do not anticipate contributing any additional funds to Suncore.

The Chairman of San'an serves as the Chairman of Suncore and Dr. Charlie Wang, Executive Vice President of EMCORE, serves as the General Manager of Suncore. All operational activities and business for CPV receivers, modules, and systems currently residing at both San'an and our Langfang, China manufacturing facility will eventually be transferred to Suncore.

In conjunction with this joint venture, we have agreed to grant Suncore an exclusive license to manufacture our current and future improved CPV receivers, modules and systems in China for terrestrial solar power applications. In addition, we entered into a Cooperation Agreement with an affiliate of San'an whereby we have received \$8.5 million in consulting fees in exchange for the technology license and related support and strategic consulting services to Suncore. Pursuant to the Cooperation Agreement, the San'an affiliate will provide Suncore with working capital financing in the form of loans and/or guarantees.

On December 4, 2010, we entered into an Investment and Cooperation Agreement, or IC Agreement, with San'an and the Huainan Municipal Government, or Huainan, in China. The IC Agreement provides for Suncore's primary engineering, manufacturing, and distribution operations for CPV components and systems to be established in the High-Tech Development Zone of Huainan City in exchange for subsidies and favorable tax and other incentives to be provided by Huainan. Under the terms of the IC Agreement, Huainan has committed to providing subsidies that include: reimbursement of 100% of the local portion of the business, value added and income taxes incurred during the first five years of Suncore's production activities and 50% of the amount of those taxes during the subsequent five years; reimbursement of certain administrative and utility charges within the Huainan City High-Tech Development Zone; cash rebates to Suncore of RMB 1.4 (approximately US\$0.21) for every watt of the first 1,000 megawatts of CPV systems manufactured in Huainan and sold in China; and a cash subsidy of RMB 500 million (approximately U.S. \$75 million) that may be used solely for the purchase of capital equipment for the development of Suncore's operations in Huainan. The IC Agreement was subject to and received approval from the shareholders of San'an on December 23, 2010. Suncore has since commenced construction of their facility in Huainan.

Accounting Treatment:

In our opinion, neither San'an nor EMCORE holds a controlling financial interest in Suncore because neither party has exclusive authority over decision-making related to significant ordinary course of business actions such as establishing a budget, compensation, and the hiring and firing of certain executive personnel. Therefore, we have accounted for our investment in Suncore using the equity method of accounting.

To date, we have contributed \$12.0 million to Suncore as a capital contribution and have received \$8.5 million of consulting fees from the San'an affiliate. We reviewed the substance of the consulting fee arrangement and concluded that the consulting fees are tied to the nonmonetary assets that were contributed to Suncore at formation. Therefore, we have recorded the consulting fees as a reduction to our investment in Suncore.

Pursuant to the joint venture agreement, San'an and EMCORE share the profits, losses, and risks of Suncore in proportion to and, in the event of losses, to the extent of their respective contributions to the registered capital of Suncore. As of June 30, 2011, we continue to hold a 40% registered ownership in Suncore and we recorded losses of \$0.3 million and \$0.8 million for the three and nine months ended June 30, 2011, respectively, from this equity method investment on the condensed consolidated statement of operations.

NOTE 15. Fair Value Accounting

ASC 820, *Fair Value Measurements and Disclosures*, establishes a valuation hierarchy for disclosure of the inputs to valuation techniques used to measure fair value. Valuation techniques used to measure fair value under ASC 820 must maximize the use of observable inputs and minimize the use of unobservable inputs.

In January 2010, the FASB issued ASU 2010-06, *Improving Disclosures about Fair Value Measurements*. ASU 2010-06 amends ASC Topic 820 to require the following additional disclosures regarding fair value measurements: (i) the amounts of transfers between Level 1 and Level 2 of the fair value hierarchy; (ii) reasons for any transfers in or out of Level 3 of the fair value hierarchy and (iii) the inclusion of information about purchases, sales, issuances and settlements in the reconciliation of recurring Level 3 measurements. ASU 2010-06 also amends ASC Topic 820 to clarify existing disclosure requirements, requiring fair value disclosures by class of assets and liabilities rather than by major category and the disclosure of valuation techniques and inputs used to determine the fair value of Level 2 and Level 3 assets and liabilities.

The standard describes a fair value hierarchy based on three levels of inputs, of which the first two are considered observable and the last unobservable, that may be used to measure fair value:

- Level 1 inputs are unadjusted quoted prices in active markets for identical assets or liabilities. We classify investments within Level 1 if quoted prices are available in active markets. Level 1 assets include instruments valued based on quoted market prices in active markets which generally could include money market funds, corporate publicly traded equity securities on major exchanges and U.S. Treasury notes with quoted prices on active markets.
- Level 2 inputs are quoted prices for similar assets and liabilities in active markets or inputs that are observable for the asset or liability, either directly or indirectly through market corroboration, for substantially the full term of the financial instrument. We classify items in Level 2 if the investments are valued using observable inputs to quoted market prices, benchmark yields, reported trades, broker/dealer quotes or alternative pricing sources with reasonable levels of price transparency. These investments could include: government agencies, corporate bonds, commercial paper, and auction rate securities.
- Level 3 inputs are unobservable inputs based on our own assumptions used to measure assets and liabilities at fair value. A financial asset or liability's classification within the hierarchy is determined based on the lowest level input that is significant to the fair value measurement. The Company did not hold financial assets or liabilities within Level 3.

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The following table lists our financial assets and liabilities that are measured at fair value on a recurring basis:

(in thousands)

	[Level 1]	[Level 2]	[Level 3]	
	Quoted Prices in Active Markets for Identical Assets	Significant Other Observable Remaining Inputs	Significant Unobservable Inputs	Total
As of June 30, 2011				
Assets:				
Money market fund deposits	\$ 18,829	\$ —	\$ —	\$ 18,829
Restricted fund deposits	2,226	—	—	2,226
Liabilities:				
Warrants	—	2,088	—	2,088
As of September 30, 2010				
Assets:				
Money market fund deposits	19,944	—	—	19,944
Restricted fund deposits	1,298	—	—	1,298
Liabilities:				
Warrants	—	475	—	475

Money market fund deposits consist primarily of cash and occasionally highly liquid short-term investments with an original maturity of three months or less at the time of purchase.

Restricted fund deposits represent cash held as collateral supporting certain outstanding letters of credit and/or bank controlled deposits on account.

As of June 30, 2011 and September 30, 2010, 3,000,003 warrants were outstanding. On February 20, 2008, in conjunction with a private placement transaction, we issued 1,400,003 warrants representing the right to purchase up to an aggregate of 1,400,003 shares of the Company's common stock, or the 2008 Warrants. On October 1, 2009, we entered into an equity line of credit with Commerce Court Small Cap Value Fund, Ltd. wherein we issued three warrants representing the right to purchase up to an aggregate of 1,600,000 shares of the Company's common stock, or the 2009 Warrants.

All of our warrants are classified as a liability since the warrants meet the classification requirements for liability accounting pursuant to ASC 815. We expect an impact to our statement of operations when we record an adjustment to fair value the warrants at the end of each quarterly reporting period. As of June 30, 2011 and September 30, 2010, the fair value of the warrants was estimated to be \$2.1 million and \$0.5 million, respectively, using the Monte Carlo option pricing model. The Monte Carlo option pricing model was used since it allows the valuation of each warrant to factor in the value associated with the Company's right to affect a mandatory exercise of each warrant.

Assumptions used in Monte Carlo Option Valuation Model	2008 Warrants		2009 Warrants	
	As of June 30, 2011	As of September 30, 2010	As of June 30, 2011	As of September 30, 2010
Expected dividend yield	—	—	—	—
Expected stock price volatility	86.0%	117.9%	106.5%	100.0%
Risk-free interest rate	0.8%	0.4%	2.6%	1.3%
Expected term (in years)	1.6	2.4	3.8	4.5

The carrying amounts of accounts receivable, borrowings under our bank credit facility, accounts payable, accrued expenses and other current liabilities approximate fair value because of the short maturity of these instruments.

ITEM Management's Discussion and Analysis of Financial Condition and Results of Operations

2.

Business Overview

EMCORE Corporation offers a broad portfolio of compound semiconductor-based products for the broadband, fiber optics, space, and solar power markets. We were established in 1984 as a New Jersey corporation and we have two reporting segments: Fiber Optics and Photovoltaics. Our Fiber Optics segment offers optical components, subsystems, and systems for high-speed data and telecommunications, cable television ("CATV"), and fiber-to-the-premises ("FTTP") networks. Our Photovoltaics segment provides products for both space and terrestrial applications. For space applications, we offer high-efficiency gallium arsenide ("GaAs") multi-junction solar cells, covered interconnected cells ("CICs"), and solar panels. For terrestrial applications, we offer concentrating photovoltaic ("CPV") power systems for commercial and utility scale solar applications as well as GaAs solar cells and integrated CPV components for use in other solar power concentrator systems. Our headquarters and principal executive offices are located at 10420 Research Road, SE, Albuquerque, New Mexico, 87123, and our main telephone number is (505) 332-5000. For more information about our Company, please visit our website at <http://www.emcore.com>.

Liquidity and Capital Resources

As of June 30, 2011, cash and cash equivalents was approximately \$18.8 million and working capital totaled \$28.7 million. For the nine months ended June 30, 2011, net cash used by operating activities totaled \$2.5 million.

With respect to measures taken to improve liquidity, we entered into a three-year \$35 million asset-backed revolving credit facility with Wells Fargo Bank, or Wells Fargo, in November 2010 which can be used for working capital, letters of credit, and other general corporate purposes. The credit facility is secured by substantially all of our assets and is subject to a borrowing base formula based on our eligible accounts receivable and inventory accounts. We expect at least 40% of the total amount of credit under the credit facility to be available for use based on the borrowing base formula for the next twelve months.

The credit facility contains customary representations and warranties, affirmative and negative covenants, and certain events of default, including a subjective acceleration clause. Under this clause, Wells Fargo may declare an event of default if they believe in good faith that our ability to pay all or any portion of our indebtedness with Wells Fargo or to perform any of our material obligations under the credit facility has been impaired, or if they believe in good faith that there has been a material adverse change in our business or financial condition. If an event of default is not cured within the grace period (if applicable), then Wells Fargo may, among other things, accelerate repayment of amounts borrowed under the credit facility, cease making advances under the credit facility, or take possession of the Company's assets that secure our obligations under the credit facility. We do not anticipate at this time any change in our business or financial condition that could be deemed a material adverse change by Wells Fargo. See [Footnote 10 - Credit Facilities](#) in the notes to the condensed consolidated financial statements for additional information related to this credit facility.

In addition, we completed an equity private placement transaction in May 2011 with Shanghai Di Feng Investment Co. Ltd. pursuant to which we sold 4,407,603 shares of the Company's common stock for approximately \$9.7 million.

We believe that our existing balances of cash and cash equivalents, together with the cash expected to be generated from operations and amounts expected to be available under our credit facility with Wells Fargo will provide us with sufficient financial resources to meet our cash requirements for operations, working capital, and capital expenditures for the next 12 months. However, in the event of unforeseen circumstances, unfavorable market or economic developments, unfavorable results from operations, or if Wells Fargo declares an event of default on the credit facility, we may have to raise additional funds by any one or a combination of the following: issuing equity, debt or convertible debt, or selling certain product lines and/or portions of our business. There can be no guarantee that we will be able to raise additional funds on terms acceptable to us, or at all. A significant contraction in capital markets, particularly in the technology sector, may make it difficult for us to raise additional capital if or when it is required, especially if we experience negative operating results. If adequate capital is not available to us as required, or is not available on favorable terms, our business, financial condition, and results of operations may be adversely affected.

Order Backlog

As of June 30, 2011, we had a consolidated order backlog of approximately \$66.2 million, a 31% increase from the \$50.5 million order backlog reported as of March 31, 2011. On a segment basis, the Photovoltaics order backlog totaled \$39.6 million, a 50% increase from \$26.4 million reported as of March 31, 2011. The Fiber Optics order backlog totaled \$26.6 million, a 10% increase from \$24.1 million reported as of March 31, 2011. Order backlog is defined as purchase orders or supply agreements accepted by us with expected product delivery and/or services to be performed within the next twelve months.

From time to time, our customers may request that we delay shipment of certain orders and our backlog could also be adversely affected if our customers unexpectedly cancel purchase orders that we have previously accepted. A majority of our fiber optics products typically ship within the same quarter in which the purchase order is received; therefore, our backlog at any particular date is not necessarily indicative of actual revenue or the level of orders for any succeeding period.

Results of Operations

The following table sets forth the Company's condensed consolidated statements of operations data expressed as a percentage of total revenue.

	For the Three Months Ended June 30,		For the Nine Months Ended June 30,	
	2011	2010	2011	2010
Revenue	100.00 %	100.00 %	100.00 %	100.00 %
Cost of revenue	80.86	72.52	78.00	72.39
Gross profit	19.14	27.48	22.00	27.61
Operating expenses (income):				
Selling, general, and administrative	19.52	30.05	18.35	25.69
Research and development	19.30	15.33	16.62	16.22
Litigation settlements, net	2.96	—	(0.76)	—
Total operating expenses	41.78	45.38	34.21	41.91
Operating loss	(22.64)	(17.90)	(12.21)	(14.30)
Other income (expense):				
Interest income	—	0.01	—	0.02
Interest expense	(0.27)	(0.24)	(0.35)	(0.24)
Foreign exchange gain (loss)	1.26	(1.99)	0.70	(1.38)
Loss from equity method investment	(0.52)	—	(0.57)	—
Change in fair value of financial instruments	(0.22)	0.38	(0.95)	(0.46)
Other expense	(0.01)	(0.03)	(0.01)	(0.25)
Total other income (expense)	0.25	(1.87)	(1.18)	(2.31)
Net loss	(22.39)%	(19.77)%	(13.39)%	(16.61)%

During the quarter ended March 31, 2011, we determined that the warrants issued in February 2008 should have been accounted for as a liability since these warrants met the definition of a derivative instrument and did not qualify for equity classification. The valuation of the warrants was based on a Monte Carlo option pricing model which resulted in a fair value of approximately \$8.2 million, \$1.8 million, \$0.4 million, \$0.1 million, and \$0.2 million as of February 20, 2008, September 30, 2008, September 30, 2009, September 30, 2010 and December 31, 2010, respectively. During the three months ended March 31, 2011, we adjusted common stock and accumulated deficit, both equity-related accounts, by \$8,218,000 and \$8,022,000, respectively, and recorded the liability related to the fair value of the warrants as of January 1, 2011 of \$196,000 to correct the initial accounting treatment of the warrants from equity to liability accounting as an out-of-period adjustment.

Comparison of the Three Months Ended June 30, 2011 and 2010

Revenue:

Consolidated revenue for the three months ended June 30, 2011 was \$49.5 million, which represents a \$2.9 million, or 6%, increase compared to \$46.6 million reported in the prior year.

On a segment basis, revenue for the Fiber Optics segment was \$33.3 million, which represents a \$1.8 million, or 6%, increase in revenue compared to \$31.5 million reported in the prior year. Compared to the prior year, revenue from broadband products increased 23% and revenue from digital fiber optics products decreased 14%. We experienced a reduction of approximately \$4.9 million of revenue associated with sales of parallel optics device products compared to the prior year primarily due to the ITC ruling. See [Footnote 12 - Commitments and Contingencies](#) in the notes to the condensed consolidated financial statements for additional information related to the ITC ruling. The Fiber Optics segment accounted for 67% of our consolidated quarterly revenue in fiscal 2011 compared to 68% in the prior year.

Revenue for the Photovoltaics segment was \$16.2 million, which represents a \$1.1 million, or 7%, increase in revenue compared to \$15.1 million reported in the prior year. Compared to the prior year, sales of space solar cells and CICs increased 8%, revenue from service contracts increased 67%, and revenue earned on long-term space solar panels decreased 28%. Historically, quarterly revenue has fluctuated significantly in the Photovoltaics segment due to the completion of long-term contracts, varying shipment schedules on long-term supply agreements, and changes in product mix. The Photovoltaics segment accounted for 33% of the Company's consolidated quarterly revenue in fiscal 2011 compared to 32% in the prior year period.

Gross Profit:

Consolidated gross profit was \$9.5 million, which represents a \$3.3 million decrease in gross profit compared to \$12.8 million reported in the prior year. Consolidated gross margin was 19.1%, a decrease from the 27.5% gross margin reported in the prior year. On a segment basis, Fiber Optics gross margin was 19.4%, down from the 25.9% gross margin reported in the prior year due to higher expenses and unfavorable product mix. Photovoltaics gross margin was 18.6%, down from the 30.7% gross margin reported in the prior year primarily due to lower yields and higher expenses.

Operating Expenses:

Sales, general, and administrative expenses for the three months ended June 30, 2011 totaled \$9.7 million, which represents a \$4.3 million, or 31%, decrease in expense compared to \$14.0 million reported in the prior year. During the three months ended June 30, 2010, we recorded a \$2.4 million reserve on accounts receivable related to a solar power system contract and we also incurred a \$2.8 million termination fee related to a then-planned joint venture. As a percentage of revenue, sales, general, and administrative expenses were 20%, a decrease from 30% in the prior year.

Research and development expenses for the three months ended June 30, 2011 totaled \$9.5 million, which represents a \$2.4 million, or 34%, increase in expense compared to \$7.1 million reported in the prior year primarily due to higher expenses from the Soliant Energy acquisition completed in March 2011 and increased headcount and material expenses in our Fiber Optics segment. As a percentage of revenue, research and development expenses were 19%, an increase from 15% in the prior year.

As of June 30, 2011, we have accrued \$1.5 million as an estimate for legal settlements considered probable. See [Footnote 12 - Commitments and Contingencies](#) in the notes to the condensed consolidated financial statements for additional information related to legal proceedings.

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Consolidated operating expenses for the three months ended June 30, 2011 totaled \$20.7 million, which represents a \$0.5 million, or 2%, decrease in expense compared to \$21.2 million reported in the prior year.

Operating loss:

The consolidated operating loss for the three months ended June 30, 2011 was \$11.2 million, which represents a \$2.9 million increase in operating loss compared to \$8.3 million reported in the prior year.

Foreign exchange.

We recognize gains and losses on foreign currency exchange primarily due to our operations in Spain, the Netherlands and China. A majority of the gain recorded during the three months ended June 30, 2011 relates to the increase in value of the euro relative to the U.S. dollar.

Loss from Equity Method Investment.

On July 30, 2010, we entered into a joint venture agreement with San'an Optoelectronics Co., Ltd., or San'an, for the purpose of engaging in the development, manufacturing, and distribution of CPV receivers, modules, and systems for terrestrial solar power applications under a technology license from us. The joint venture, Suncore Photovoltaic Technology Co., Ltd., or Suncore, is a limited liability company under the laws of the People's Republic of China. Pursuant to the Suncore joint venture agreement, San'an and EMCORE share the profits, losses, and risks of Suncore in proportion to and, in the event of losses, to the extent of their respective contributions to the registered capital of Suncore. For the three months ended June 30, 2011, we continue to hold a 40% registered ownership in Suncore and we recorded a \$0.3 million loss from this equity method investment on the condensed consolidated statement of operations. See [Footnote 14 - Suncore Joint Venture](#) in the notes to the condensed consolidated financial statements for additional information related to this equity method investment.

Change in fair value of financial instruments.

Our outstanding warrants are classified as a liability since the warrants meet the classification requirements for liability accounting pursuant to ASC 815. We expect an impact to the statement of operations when we record an adjustment to fair value of warrants at the end of each quarterly reporting period. The fair value of the warrants increased \$0.1 million from March 31, 2011 to June 30, 2011 primarily due to the increase in market value of the Company's common stock.

Net Loss:

The consolidated net loss for the three months ended June 30, 2011 was \$11.1 million, which represents a \$1.9 million increase in net loss compared to the \$9.2 million net loss reported in the prior year. The net loss per share for the three months ended June 30, 2011 was \$0.12 per share, which represents an increase of \$0.01 per share, from a net loss of \$0.11 per share reported in the prior year.

Comparison of the Nine Months Ended June 30, 2011 and 2010

Revenue:

Consolidated revenue for the nine months ended June 30, 2011 was \$148.8 million, which represents a \$11.6 million, or 8%, increase in revenue compared to \$137.2 million reported in the prior year.

On a segment basis, revenue for the Fiber Optics segment was \$94.7 million, which represents a \$7.4 million, or 9%, increase in revenue compared to \$87.3 million reported in the prior year. Compared to the prior year, revenue from broadband products increased 13% and revenue from digital fiber optics products increased 1%. We experienced a reduction of approximately \$10.2 million of revenue associated with sales of parallel optics device products compared to the prior year primarily due to the ITC ruling. See [Footnote 12 - Commitments and Contingencies](#) in the notes to the condensed consolidated financial statements for additional information related to the ITC ruling. The Fiber Optics segment accounted for 64% of the Company's consolidated revenue in both fiscal 2011 and fiscal 2010.

Revenue for the Photovoltaics segment was \$54.1 million, which represents a \$4.2 million, or 8%, increase in revenue compared to \$49.9 million reported in the prior year. Compared to the prior year, sales of space solar cells and CICs increased 5%, revenue from service contracts increased 79%, and revenue earned on long-term space solar panels decreased 13% from the prior year. Historically, revenue has fluctuated significantly in the Photovoltaics segment due to the completion of long-term contracts, varying shipment schedules on long-term supply agreements, and changes in product mix. The Photovoltaics segment accounted for 36% of the Company's consolidated revenue in both fiscal 2011 and fiscal 2010.

Gross Profit:

Consolidated gross profit was \$32.7 million, which represents a \$5.2 million decrease in gross profit compared to \$37.9 million reported in the prior year. Consolidated gross margin was 22.0%, a decrease from the 27.6% gross margin reported in the prior year. On a segment basis, Fiber Optics gross margin was 18.6%, down from the 24.2% gross margin reported in the prior year primarily due to higher expenses and unfavorable product mix. Photovoltaics gross margin was 27.9%, down from the 33.5% gross margin reported in the prior year primarily due to lower yields and higher expenses.

Operating Expenses:

Sales, general, and administrative expenses for the nine months ended June 30, 2011 totaled \$27.3 million, which represents a \$8.0 million, or 23%, decrease in expense compared to \$35.3 million reported in the prior year. During the nine months ended June 30, 2010, we recorded a \$2.4 million reserve on accounts receivable related to a solar power system contract, we incurred approximately \$4.9 million of patent litigation and other corporate-related legal expense, and we incurred a \$2.8 million termination fee related to a then-planned joint venture. As a percentage of revenue, sales, general, and administrative expenses were 18%, a decrease from 26% in the prior year.

Research and development expenses for the nine months ended June 30, 2011 totaled \$24.7 million, which represents a \$2.5 million, or 11%, increase in expense compared to \$22.3 million reported in the prior year primarily due to higher expenses from the Soliant Energy acquisition completed in March 2011 and increased headcount and material expenses in our Fiber Optics segment. As a percentage of revenue, research and development expenses were 17%, an increase from 16% in the prior year.

During the three months ended March 31, 2011, we received a cash payment of approximately \$2.6 million in satisfaction of the judgment for damages that was previously awarded, net of legal fees which were incurred on a contingency basis. As of June 30, 2011, we have accrued \$1.5 million as an estimate for legal settlements consider probable. See [Footnote 12 - Commitments and Contingencies](#) in the notes to the condensed consolidated financial statements for additional information related to litigation proceedings.

Consolidated operating expenses for the nine months ended June 30, 2011 totaled \$50.9 million, which represents a \$6.6 million, or 11%, decrease in expense compared to \$57.5 million reported in the prior year.

Operating loss:

The consolidated operating loss for the nine months ended June 30, 2011 was \$18.2 million, which represents a \$1.4 million, or 7%, decrease in operating loss compared to \$19.6 million reported in the prior year.

Foreign exchange.

We recognize gains and losses on foreign currency exchange primarily due to our operations in Spain, the Netherlands and China. A majority of the gain recorded in the nine months ended June 30, 2011 relates to the increase in value of the euro relative to the US dollar.

Loss from Equity Method Investment.

On July 30, 2010, we entered into a joint venture agreement with San'an Optoelectronics Co., Ltd., or San'an, for the purpose of engaging in the development, manufacturing, and distribution of CPV receivers, modules, and systems for terrestrial solar power applications under a technology license from us. The joint venture, Suncore Photovoltaic Technology Co., Ltd., or Suncore, is a limited liability company under the laws of the People's Republic of China. Pursuant to the Suncore joint venture agreement, San'an and EMCORE share the profits, losses, and risks of Suncore in proportion to and, in the event of losses, to the extent of their respective contributions to the registered capital of Suncore. During fiscal 2011, we continue to hold a 40% registered ownership in Suncore and we recorded a \$0.8 million loss from this equity method investment on the condensed consolidated statement of operations. See [Footnote 14 - Suncore Joint Venture](#) in the notes to the condensed consolidated financial statements for additional information related to this equity method investment.

Change in fair value of financial instruments.

The warrants issued by the Company were classified as a liability since the warrants met the classification requirements for liability accounting pursuant to ASC 815. We expect an impact to the statement of operations when we record an adjustment to fair value of the warrants at the end of each quarterly reporting period. The fair value of the warrants increased \$1.4 million from September 30, 2010 to June 30, 2011 primarily due to the increase in market value of the Company's common stock.

Cost of financing instruments.

Costs incurred to enter into the equity line of credit with Commerce Court Small Cap Value Fund, Ltd. were expensed as incurred. On October 1, 2009, we recorded \$0.2 million related to the issuance of 185,185 shares of common stock in connection with the equity line of credit. In March 2010, we initiated our first draw down under the equity line of credit and received approximately \$2.0 million from the sale of 1,870,042 shares of common stock; with the total discount to volume weighted average price calculated on a daily basis totaling \$0.1 million, which was recorded as a non-operating expense within the condensed consolidated statement of operations.

Net Loss:

The consolidated net loss for the nine months ended June 30, 2011 was \$19.9 million, which represents a \$2.9 million, or 13%, decrease in net loss compared to a \$22.8 million net loss reported in the prior year. The net loss per share for the nine months ended June 30, 2011 was \$0.23 per share, which represents a decrease \$0.05 per share, from a net loss of \$0.28 per share reported in the prior year.

Cash Flow

Cash Used In Operating Activities

For the nine months ended June 30, 2011, net cash used by operating activities was approximately \$2.5 million, which represents a change of \$2.7 million from \$5.2 million in cash used in operating activities for the nine months ended June 30, 2010.

For the nine months ended June 30, 2011, \$2.5 million of cash was used in operating activities. During this period, other assets increased \$4.5 million and inventory increased \$0.4 million; offset by a decrease in accounts receivable of \$2.4 million, an increase in accrued expenses and other liabilities of \$2.1 million, and an increase in accounts payable of \$0.8 million. Non-cash adjustments used to reconcile net loss to net cash used in operating activities included \$8.9 million related to depreciation and amortization expense, \$5.6 million related to stock-based compensation expense, and \$1.4 million related to the change in fair value of our outstanding warrants.

For the nine months ended June 30, 2010, \$5.2 million of cash was used in operating activities. During this period, accrued expenses and other liabilities decreased \$2.3 million, inventory increased \$2.3 million, accounts receivable increased \$1.0 million, and other assets increased 0.2 million; offset slightly by an increase in accounts payable of \$2.2 million. Non-cash adjustments used to reconcile net loss to net cash used in operating activities included \$9.3 million related to depreciation and amortization expense, \$8.2 million related to stock-based compensation expense, and \$2.0 million related to an increase in the provision for doubtful accounts.

Net Cash Provided By (Used In) Investing Activities

For the nine months ended June 30, 2011, net cash used in investing activities was \$11.9 million, which represents a change of \$12.0 million from \$0.1 million in cash provided by investing activities for the nine months ended June 30, 2010.

For the nine months ended June 30, 2011, the \$11.9 million of net cash used in investing activities was primarily due capital contributions into our Suncore joint venture totaling \$12.0 million offset by \$5.5 million in consulting fees received from an affiliate related to our joint venture, \$3.3 million related to capital expenditures, \$1.0 million related to an increase in restricted cash, \$0.8 million used to purchase a business, and \$0.5 million related to investments in patents.

For the nine months ended June 30, 2010, the \$0.1 million in net cash provided by investing activities was primarily due to a release of restricted cash of \$1.2 million; offset partially by \$0.8 million related to capital expenditures and \$0.5 million related to investments in patents.

Net Cash Provided By Financing Activities

For the nine months ended June 30, 2011, net cash provided by financing activities totaled \$14.3 million, which represents a change of \$10.9 million from \$3.4 million in cash provided by financing activities for the nine months ended June 30, 2010.

For the nine months ended June 30, 2011, the \$14.3 million in net cash provided by financing activities was primarily due to \$9.7 million in proceeds from an equity private placement transaction, \$3.8 million of net borrowings under our bank credit facility and \$0.9 million of cash receipts from our stock ownership plans.

For the nine months ended June 30, 2010, the \$3.4 million in net cash provided by financing activities consisted of \$2.0 million received under our equity line of credit, \$0.9 million of cash receipts from our stock ownership plans, and \$0.6 million of net borrowings under our bank credit facility.

Contractual Obligations and Commitments

The Company's contractual obligations and commitments over the next five years are summarized in the table below:

	Total	For the Fiscal Years Ended September 30,			
		2011	2012 to 2013	2014 to 2015	2016 and later
Purchase obligations	\$ 29,843	\$ 29,527	\$ 174	\$ 102	\$ 40
Credit facility	14,359	14,359			
Operating lease obligations	5,671	498	2,139	366	2,668
Capital lease obligations	7	2	5		
Total contractual obligations and commitments	\$ 49,880	\$ 44,386	\$ 2,318	\$ 468	\$ 2,708

Interest payments are not included in the contractual obligations and commitments table above since they are insignificant to our condensed consolidated results of operations.

Credit Facility

As of June 30, 2011, the Company had a \$14.4 million LIBOR rate loan outstanding, with an interest rate of 3.25%, and approximately \$2.5 million reserved under eight outstanding standby letters of credit under the credit facility. As of July 12, 2011, we paid off the outstanding loan with cash on hand.

Suncore Joint Venture

The total registered capital of Suncore is \$30 million, of which San'an has contributed \$18 million in cash and EMCORE has contributed \$12 million in cash. We are not required to contribute additional funds in excess of our initial \$12 million investment, and at this time, we do not anticipate contributing any additional funds to Suncore. The joint venture agreement provides for any working capital needs to be provided by San'an. See [Footnote 14 - Suncore Joint Venture](#) in the notes to the condensed consolidated financial statements for additional information related to this joint venture.

Operating leases

Operating leases include non-cancelable terms and exclude renewal option periods, property taxes, insurance and maintenance expenses on leased properties.

Segment Data and Related Information

See [Footnote 13 - Segment Data and Related Information](#) in the notes to the condensed consolidated financial statements for disclosures related to business segment revenue, geographic revenue, significant customers, and operating loss by business segment.

Recent Accounting Pronouncements

There have been no recent accounting pronouncements or changes in accounting pronouncements since September 30, 2010 that are of significance, or potential significance, to us. We believe that the impact of recently issued standards that are not yet effective will not have a material impact on our consolidated financial position, results of operations, or cash flows upon adoption.

Critical Accounting Policies

See Item 7 - Management's Discussion and Analysis of Financial Condition and Results of Operations in our Annual Report on Form 10-K for the fiscal year ended September 30, 2010 for disclosures related to our critical accounting policies.

Restructuring Accruals

See [Footnote 9 - Accrued Expenses and Other Current Liabilities](#) in the notes to the condensed consolidated financial statements for disclosures related to our severance and restructuring-related accrual accounts.

Officers and Directors

- Mr. Mark B. Weinswig was hired as the Company's Chief Financial Officer effective October 11, 2010.
- Dr. James A. Tegnalia joined the Company's Board of Directors on March 2, 2011.

ITEM 3. Quantitative and Qualitative Disclosures About Market Risk

For quantitative and qualitative disclosures about market risk affecting the Company, see Item 7A - Quantitative and Qualitative Disclosures About Market Risk in our Annual Report on Form 10-K for the fiscal year ended September 30, 2010. We do not believe the Company's exposure related to market risk has changed materially since September 30, 2010.

ITEM 4. Controls and Procedures

a. Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures designed to ensure that information required to be disclosed in reports filed under the Securities Exchange Act of 1934 (the "Act") is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms and that such information is accumulated and communicated to management, including our Chief Executive Officer (Principal Executive Officer) and Chief Financial Officer (Principal Financial and Accounting Officer), as appropriate, to allow timely decisions regarding required disclosure.

Under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, we evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) or 15d-15(e) promulgated under the Act) as of June 30, 2011. Based on this evaluation, we concluded that the Company's disclosure controls and procedures were effective. As a result, we concluded that the Company's condensed consolidated financial statements included in this Quarterly Report on Form 10-Q present fairly, in all material respects, the Company's condensed consolidated financial position, results of operations, and cash flows as of the dates, and for the periods, presented in conformity with GAAP.

Attached as exhibits to this Quarterly Report on Form 10-Q are certifications of the Company's Chief Executive Officer and Chief Financial Officer, which are required in accordance with Rule 13a-14 of the Act. This Evaluation of Disclosure Controls and Procedures section includes information concerning our evaluation of disclosure controls and procedures referred to in those certifications and, as such, should be read in conjunction with the certifications from the Company's Chief Executive Officer and Chief Financial Officer.

b. Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting during the quarter ended June 30, 2011 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

c. Completed Remediation Actions that Addressed Internal Control Weaknesses

A "material weakness" is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company's annual or interim consolidated financial statements will not be prevented or detected on a timely basis. As previously reported in our Annual Report on Form 10-K for the fiscal year ended September 30, 2010 and Quarterly Report on Form 10-Q for the quarterly period ended December 31, 2010, we identified the following material weaknesses in the Company's internal control over financial reporting:

1) Control activities related to certain inventory reserve transactions

We did not maintain effective controls over certain inventory reserve transactions. Specifically, we did not have effectively designed controls to prevent the reversal of certain inventory reserves and provide reasonable assurance that inventory reserves were recorded in accordance with GAAP.

2) Control activities related to certain inventory held by third parties

We did not maintain effective controls over certain inventory held by third parties. Specifically, reconciliations of inventory held by third parties were not performed on a part-by-part basis; therefore, controls were not designed and in place to provide reasonable assurance that the inventory held by third parties was recorded in accordance with GAAP.

In response to the identified material weaknesses described above, we dedicated resources to improving our control environment and we believe that remediation actions placed into service since September 30, 2010 have addressed these material weaknesses. In particular, we have implemented the measures described below to remediate these material weaknesses.

1) Control activities related to certain inventory reserve transactions

As of September 30, 2010, December 31, 2010, March 31, 2011, and June 30, 2011, we completed an excess and obsolete (E&O) reserve rollforward from prior periods to ensure that any decrease in the E&O reserve was attributed to either a sale or disposal of reserved inventory. We plan to continue to perform this control on a quarterly basis.

2) Control activities related to certain inventory held by third parties

As of December 31, 2010, March 31, 2011, and June 30, 2011, reconciliations have been performed on both a total dollar basis and on a part-by-part basis to ensure that inventory held by third parties has been recorded in accordance with U.S. GAAP. We plan to continue to perform this control on a quarterly basis.

We intend to continue to monitor the effectiveness of these actions and will make changes to the action plans if deemed necessary and appropriate.

d. Limitations on the Effectiveness of Internal Control over Financial Reporting

We do not expect that our disclosure controls or our internal controls over financial reporting will prevent or detect all errors and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Controls can also be circumvented by individual acts, by collusion of two or more people, or by management override of the controls. The design of any system of controls is based, in part, upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Over time, controls may become inadequate because of changes in conditions or deterioration in the degree of compliance with associated policies or procedures. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

PART II. OTHER INFORMATION

ITEM 1. Legal Proceedings

See [Footnote 12 - Commitments and Contingencies](#) in the notes to the condensed consolidated financial statements for disclosures related to legal proceedings.

ITEM 1A. Risk Factors

In addition to the other information set forth in this report, you should carefully consider the risk factors discussed in Part I, Item 1A. "Risk Factors" in our Annual Report on Form 10-K for the year ended September 30, 2010, which could materially affect our business, financial condition or future results. The risks described in our Annual Report on Form 10-K are not the only risks facing our Company. Additional risks and uncertainties not currently known to us also may materially adversely affect our business, financial condition and/or operating results. There have been no material changes in our risk factors as disclosed in our Annual Report on Form 10-K other than the following:

The impact of Japan's March 2011 earthquake and tsunami on our suppliers and customers could materially adversely affect our business, results of operations, or financial condition.

A number of our suppliers and customers located in Japan were affected by the March 2011 earthquake and tsunami and some continue to be affected by unreliable power, shipping constraints, and issues with their suppliers. We may also encounter reduced demand for our products in the event customers are unable to obtain adequate supplies of other components due to the events in Japan. We are rigorously assessing our potential exposure but significant uncertainties exist such that the extent and duration of these supply constraints cannot be currently determined. Although we have sufficient inventory to cover our immediate needs, we may experience significant shortages or delays that could cause us to change our manufacturing processes, limit our capacity, force us to seek alternative suppliers, increase the cost of our components and delay our capital expansion plans. As a result, our business, results of operations or financial condition could be materially adversely affected.

Feed-in tariff and subsidy reductions could impact revenue and results of operations in the renewable energy markets.

Feed-in tariffs have been a significant driver in the growth of the solar industry, with countries throughout the world providing incentives to spur adoption of renewable energy. While many countries, including the United Kingdom, certain regions in the United States and Canada, India and China, are beginning to adopt feed-in tariffs and varying subsidies, others, including Spain, are re-evaluating the level of incentive they wish to provide. As we do business in these regions, an elimination or reduction of applicable feed-in tariffs could negatively affect the results of our operations, and could result in a significant decline in demand and price levels for renewable energy products, which could have a material adverse effect on our business, financial condition and results of operations.

We may effect a reverse stock split, which may cause the liquidity of our common stock and market capitalization to be materially adversely affected.

At our Annual Meeting of Shareholders held on June 14, 2011, our shareholders approved an amendment to our certificate of incorporation which authorizes our Board of Directors to effect a reverse stock split of our issued and outstanding common stock at a ratio to be determined by our Board of Directors, in the range from 2:1 to 10:1 without further approval of our shareholders, in the discretion of the Board of Directors. The Board of Directors may determine to effect a reverse stock split to, among other things, increase institutional investor interest in and ownership of our common stock; increase investors' visibility into our profitability on a per share basis; and improve our ability to maintain long-term compliance with the listing requirements of NASDAQ, including continued compliance with NASDAQ's \$1.00 minimum bid price requirement.

There can be no assurance that the trading price of the common stock after the reverse stock split will rise in proportion to the reduction in the number of shares of our common stock outstanding as a result of the reverse stock split or remain at an increased level for any period, and there is no assurance that a reverse stock split would lead to the intended benefits. Additionally, a reverse stock split may be viewed negatively by the market and, consequently, can lead to a decrease in our overall market capitalization. If the per-share market price of our common stock does not increase proportionately as a result of the reverse split, then the value of the Company as measured by our market capitalization will be reduced, perhaps significantly. In addition, because the reverse split will significantly reduce the number of shares of common stock that are outstanding, the liquidity of our common stock could be materially and adversely affected and it may be more difficult to purchase or sell shares of our common stock.

ITEM 2. Unregistered Sales of Equity Securities

Private Placement

On May 31, 2011, we completed an equity private placement transaction with Shanghai Di Feng Investment Co. Ltd. pursuant to which we sold 4,407,603 shares of our common stock for approximately \$9.7 million.

The common stock was offered solely to "accredited investors" as defined in Regulation D promulgated under the Securities Act of 1933, as amended, the Act, in reliance on the exemptions from registration afforded by Section 4(2) of the Act. In connection with this transaction, we also entered into a registration rights agreement pursuant to which we agreed to register the shares issued with the SEC on a Form S-1 registration statement within 60 days of the closing date of the transaction and to use commercially reasonable efforts to have the registration statement declared effective within 120 days of the closing date. We filed the registration statement on Form S-1 with the SEC on July 25, 2011. If the registration statement is not declared effective within specified time periods, or upon the occurrence of certain other events that would prevent Shanghai Di Feng Investment Co. Ltd. from selling the acquired shares, Shanghai Di Feng Investment Co. Ltd. would be entitled to receive liquidated damages, up to certain maximums and other limitations, in cash equal to 1.5% of the purchase price for each share that at such time remains subject to resale restrictions.

ITEM 3. Defaults Upon Senior Securities

Not Applicable.

ITEM 5. Other Information

The Compensation Committee of the Company's Board of Directors (the "Compensation Committee") reviewed the Company's compensatory arrangements with certain of its executive officers. To promote the retention of those executive officers, on July 20, 2011, the Compensation Committee approved a form of employment agreement and authorized the proper officers of the Company to enter into employment agreements with certain named executive officers. Accordingly, on August 2, 2011, the Company entered into employment agreements (the "Employment Agreements"), effective August 2, 2011, with each of the following named executive officers (each, an "Executive Officer"):

- Reuben F. Richards, Jr. - EMCORE's Executive Chairman and Chairman of the Board;
- Hong Q. Hou, Ph.D - EMCORE's Chief Executive Officer;
- Mark Weinswig - EMCORE's Chief Financial Officer;
- Christopher Larocca - EMCORE's Chief Operating Officer;
- Charlie Wang, Ph.D - EMCORE's Executive Vice President, China Operations; and,
- Monica Van Berkel - EMCORE's Chief Administration Officer.

The material terms and conditions of the Employment Agreements are described below.

At-Will Relationship. Each Employment Agreement provides that the Executive Officer's employment is "at-will" and may be terminated by the Executive Officer or the Company with or without cause, subject only to the severance obligations described below.

Annual Base Salary. The initial annual base salary is set out below for each Executive Officer:

- Reuben F. Richards, Jr. - \$450,444.75;
- Hong Q. Hou, Ph.D - \$450,444.75;
- Mark Weinswig - \$260,000;
- Christopher Larocca - \$260,000;
- Charlie Wang, Ph.D - \$230,000; and,
- Monica Van Berkel - \$222,500.

The base salary of each Executive Officer is to be determined annually by the Compensation Committee. The Company will review the Executive Officer's base salary annually and may, in its sole and absolute discretion, increase the Executive Officer's base salary; however, the Company may not decrease the Executive Officer's base salary below the initial base salary without the Executive Officer's prior consent. Except for the performance of Mr. Richards and Dr. Hou, *whose performance will be reviewed by the Compensation Committee*, the Chief Executive Officer of the Company will annually review each Executive Officer's performance and share such review with the Compensation Committee.

Bonus. Each Executive Officer is entitled to participate in any of the Company's annual bonus or pay-for-performance plans, provided that, in order to receive payment, the Executive Officer remains employed on the last day of the Company's fiscal year or the otherwise defined bonus/performance period.

Equity Incentive Awards. Each Executive Officer is eligible for equity awards under the Company's equity award plan covering senior executives, as in effect from time to time and as approved by the Compensation Committee. Equity awards will be governed by the terms of separate equity award agreements.

Other Benefits. Each Executive Officer is entitled to the same health insurance, 401(k) and other employee plans and benefits available to employees of the Company generally.

Severance Benefits upon Termination. If the Executive Officer's employment is terminated by the Company for "Cause" (as defined in the Employment Agreement) or by the Executive Officer without "Good Reason" (as defined in the Employment Agreement), then the Executive Officer will be entitled to his or her base salary through the termination date. If Executive Officer's employment is terminated as a result of his or her death, then the Company will pay Executive Officer's base salary through the date of such termination and provide the Executive Officer's spouse and dependent children continued health coverage for a period of twelve (12) months, subject to certain conditions.

If during the term of the Employment Agreement or within thirty-six (36) months of a "Change in Control" (as defined in the Employment Agreement) the Executive Officer's employment is terminated by the Company or its successor without "Cause" or by the Executive Officer for "Good Reason," then in addition to payment of the Executive Officer's base salary through the termination date, the Executive Officer will be entitled to the following:

- Continued payment of the Executive Officer's base salary for a period equal to (a) one (1) year, plus (b) two (2) weeks, plus (c) two (2) additional weeks for each whole year that the Executive Officer was employed by the Company.
- Payment for the applicable premium cost for continued health coverage under COBRA for a period of up to eighteen (18) months following termination equal to the applicable premium cost for health coverage that the Company would have otherwise paid assuming the Executive Officer were an active employee during such time.
- Standard outplacement services in a total amount generally not exceeding \$15,000 per Executive Officer.
- Acceleration and immediate vesting of all of the Executive Officer's equity awards (with certain exceptions) with all vested exercisable equity awards remaining exercisable for a period of three (3) years following termination (but no later than the applicable term expiration date specified in the applicable equity award agreement).

Benefit Limit. If any payment or benefit described above would constitute a parachute payment within the meaning of Section 280G of the Internal Revenue Code of 1986, as amended, then such payments or benefits will be limited as provided for in the Employment Agreement.

The foregoing descriptions of the Employment Agreements do not purport to be complete and are qualified in their entirety by reference to the full text of the Employment Agreements for Executive Officers filed as Exhibits 10.3 to this Quarterly Report on Form 10-Q.

ITEM 6. Exhibits

Exhibit Number	Description
4.1	Registration Rights Agreement between EMCORE Corporation and Shanghai Di Feng Investment Co. Ltd., dated April 26, 2011 (incorporated by reference to exhibit 4.1 to EMCORE's Current Report on Form 8-K filed on April 26, 2011)
10.1	Stock Purchase Agreement between EMCORE Corporation and Shanghai Di Feng Investment Co. Ltd., dated April 26, 2011 (incorporated by reference to exhibit 10.1 to EMCORE's Current Report on Form 8-K filed on April 26, 2011)
10.2*	Long-Term Supply Agreement between EMCORE Corporation and Space Systems/Loral, Inc., dated May 5, 2011 (Confidential treatment has been requested by EMCORE with respect to portions of this agreement)
10.3*	Employment Agreement entered into by EMCORE Corporation and Reuben F. Richards, Jr. as of August 2, 2011
10.4*	Employment Agreement entered into by EMCORE Corporation and Dr. Hong Q. Hou as of August 2, 2011
10.5*	Employment Agreement entered into by EMCORE Corporation and Mark B. Weinswig as of August 2, 2011
10.6*	Employment Agreement entered into by EMCORE Corporation and Mr. Christopher Larocca as of August 2, 2011
10.7*	Employment Agreement entered into by EMCORE Corporation and Dr. Charlie Wang as of August 2, 2011
10.8*	Employment Agreement entered into by EMCORE Corporation and Monica D. Van Berkel as of August 2, 2011
31.1*	Certificate of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certificate of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1*	Certificate of Chief Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2*	Certificate of Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

* Filed herewith

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

EMCORE CORPORATION

Date: **August 4, 2011**

By: **/s/ Hong Hou**
Hong Q. Hou, Ph.D.
Chief Executive Officer
(Principal Executive Officer)

Date: **August 4, 2011**

By: **/s/ Mark Weinswig**
Mark Weinswig
Chief Financial Officer
(Principal Financial and Accounting Officer)

Subcontract

S700921

Between

Space Systems/Loral, Inc.
3825 Fabian Way
Palo Alto, California 94303

And

Emcore Corporation
10420 Research Road, SE
Albuquerque, New Mexico 87123

March 31, 2010

In Consideration of the promises hereinafter set forth, the Parties agree as follows:

SCHEDULE

This Subcontract No. S700921 is entered into between **Space Systems/Loral, Inc.** (hereinafter referred to as "Buyer" or "SS/L"), a corporation organized and existing under the laws of the State of Delaware, and having its principal offices and place of business at 3825 Fabian Way, Palo Alto, California 94303, and **Emcore Corporation** (hereinafter referred to as "Subcontractor", or "Seller" or "Emcore"), with offices located at 10420 Research Road, SE, Albuquerque, New Mexico 87123.

This Subcontract consists of the Schedule, the Terms and Conditions, and the Signature Page, listed in their order of precedence.

Article I - Scope of Work

This Subcontract provides for the procurement of **Advanced Triple Junction Solar Cells**, hereinafter also referred to as the *Product* or the Cell(s) for Buyer's spacecraft programs. Subcontractor shall provide the necessary personnel, services, materials, equipment and facilities for the accomplishment of the fabrication, test and delivery of Advanced Triple Junction Solar Cells in accordance with the Applicable Documents cited below and any other stipulations of the Subcontract.

Subcontractor's Advanced Triple Junction (ATJ) Solar Cell are comprised of the following configurations:

SS/L P/N E323826-11 Emcore P/N 607090 Advanced Triple Junction Solar Cell 27.55cm²
SS/L P/N E323826-13 Emcore P/N 615141 Advanced Triple Junction Solar Cell 30.49cm² (w/ test pads)
SS/L P/N E505736-11 Emcore P/N 617566 Z-Triple Junction Solar Cell 30.49cm²(w/ test pads)

All 27.55cm² Cells shall be grown using only Umicore material. All 30.49cm² Cells shall be grown using Umicore or Sylarus material. Traceability to substrate type shall be maintained by Subcontractor.

The following Applicable Documents are listed in their order of precedence. In the event of a conflict or inconsistency between an Applicable Document and an Article of this Subcontract, the Article will take precedence.

- Document A atj SS/L Document No. E323818, entitled *Advanced High Efficiency Multi Junction Solar Cell Statement of Work*, Revision 1, dated February 14, 2005. [Note 1.0]
- Document A ztj SS/L Document No. E422369, entitled *Statement of Work, Solar Cell, High Efficiency Z Triple Junction(ZTJ) GAAS/GE*, Revision 1, dated December 13, 2010.
- Document B atj SS/L SCD No. E323826, entitled *Solar Cell, Multi-Junction w/Diode*, Revision 7, dated May 8, 2009
- Document B ztj SS/L SCD No. E505736, entitled *Solar Cell, Z Triple Junction W/Diode*, Revision 1, dated December 3, 2010
- Document C atj SS/L Document No. E323828, entitled *Advanced High Efficiency Triple Junction Solar Cell Performance Specification*, Revision 5 dated March 4, 2011.
- Document C ztj SS/L Document No. E422368, entitled *Performance Specification High Efficiency, "Z" Triple Junction (ZTJ), GAAS/GE Solar Cell*, Revision 2, dated March 4, 2011. [Note 2.0]
- Document D SS/L Document No. E060042, entitled *Environmental Requirements Specification*, Revision 2 dated October 24, 1996
- Document E SS/L Document No. E032894, entitled *General Specification, Subcontractor Mission Assurance Requirements, Revision 9*, dated January 11, 2010
- Document F SS/L Document No. E023988, entitled *Data Requirements Instructions (DRI) for Spacecraft Subcontractors*, Revision 5, dated May 29, 2008.

Article I - Scope of Work (cont'd)

Notations:

[1.0] **The following requirements are incorporated into Document A atj and shall be submitted by Subcontractor 30 days after execution of this agreement and as necessary thereafter:**

- A. SDRL D02.04 *Statement of Parts, Materials or Process (PMP Changes).*
- B. SDRL D02.19 *Statement of Prohibited Material, Compliance.*

Paragraph 3.2.1.1 *Test and Inspection Points* is waived
Paragraph 3.2.1.2 *Notification to SS/L of Test and Inspection Actions* is waived

The following text is added to Table II (*Subcontract Data Requirements List*):

For procurements made under this Subcontract, Subcontractor will provide Buyer a list of SDRL's previously submitted and approved by Buyer, as well as a list of management milestone reviews successfully completed and approved for earlier programs. SDRL's will be submitted to Buyer's data management database if an update is required. Management milestone reviews are required if there is a change in either the ATJ design or manufacturing process.

[2.0] Subcontractor compliance to Paragraph 4.2.2.7 Standard Cells is based on Emcore Top Cell Standard ID "09-Z10" and Middle Cell Standard "00-124". Any proposed changes to these standards by Subcontractor shall be reviewed and approved by Buyer.

Paragraph 4.3.5.3.2 Quarter Point Testing shall be revised to remove references to Quarter Point and to remove all references to Quarter Point Samples. The specification shall be revised to require periodic testing, on an as required basis, at Buyers discretion. A Test Readiness Review shall be performed by Subcontractor to Buyer before April 30, 2012.

Article II - Price

Subcontractor shall deliver all items and render all services and performance required by the Subcontract in consideration of which the Total Firm Fixed Price of [***] is established, consisting of the following items:

SS/L Part Number	Description	Price	Quantity	Total Price
E323826-11 _[ATJ]	Advanced Triple Junction Solar Cell	27.55cm ²	[***]	[***]
E323826-13 _[LATJ]	Advanced Triple Junction Solar Cell	30.49cm ²	[***]	[***]
E505736-11 _[ZTJ]	Z-Advanced Triple Junction Solar Cell	30.49cm ²	[***]	[***]
Total		[***]	[***]	[***]

=====

At SS/Ls discretion, SS/L may unilaterally amend the quantity of each part number above within the [***] solar cell total.

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Article III - Reserved**Article IV - Delivery**

Subcontractor shall deliver Cells and complete all work and services in order to support continuous manufacturing. Delivery of Cells on this order shall not begin until the final delivery of the [***] Cells on subcontract S700215.

Buyer shall schedule Cell deliveries within the range of [***] to [***] units per month. In order to support continuous production planning by Seller, Buyer shall provide a written forecast of cell deliveries on a three-month rolling basis at least 6 weeks prior to the last planned delivery date. At no additional cost to Buyer, Buyer reserves the right to reschedule deliveries and change Cell type (ATJ, LATJ or ZTJ) by giving Subcontractor a minimum of eight weeks notice of any change. Any direction by Buyer to reschedule delivery shall be in writing and confirmed by Subcontractor within 48 hours (2 business days). The total period of performance of this subcontract excluding options is April 30, 2011 through April 30, 2016.

Absent the express written consent of Buyer's Subcontract Representative identified in Article XV (*Amendments and Notices*), the Cells shall not be delivered in excess of the above requirements.

- In the event that Buyer elects to extend the Cell delivery period for any portion of the [***] Cells beyond [***], the Parties shall negotiate an equitable escalation rate on the remaining undelivered units; or Buyer may elect to terminate this Subcontract per the provisions in Clause 21 (Termination for Convenience) of the Terms and Conditions and Article VI of this Subcontract.
- Buyer at its option may amend this Subcontract to include the BTJ cells as part of the [***] total under the conditions of this subcontract
- In the event that Buyer has excess inventory of ATJ or LATJ Cells, Subcontractor agrees to exchange, at no cost to Buyer, ATJ and LATJ Cells on a one to one basis with new ZTJ Cells.
- Shipping terms are FOB Origin. Buyer is responsible for required export licenses and related documentation.
- Initial Destination Point is Buyer's Freight Forwarder as follows:

International Freight Services (IFS)
1610 Rollins Road
Burlingame, CA 94010

Attn: Rick DiMaio
Phone: 650-259-5108

Article V - Payment (cont'd)C. Invoicing

Subcontractor may submit invoices for the amounts specified. Except to the extent as modified by Article X, Buyer reserves the right to inspect or otherwise verify that for which payment is requested complies with the requirements of the Subcontract

Subcontractor shall submit an original and one copy of invoices to:

Space Systems/Loral, Inc.
3825 Fabian Way
Palo Alto, California 94303-4604
Attention: Accounts Payable M/S AC-1

Invoices submitted by Subcontractor must as a minimum record the following information:

Subcontract number S700921
Subcontractor Shipping Lot No. #

Any invoice submitted which combines shipping lots must separately identify, by shipping lot, the quantity of solar cells comprising each lot.

D. Payment Terms

Except to the extent separate arrangements are made between Buyer and Subcontractor as recorded elsewhere in this Article, payment terms are Net 30 days after receipt of an original invoice, delivery, or scheduled delivery date, whichever is later.

Article VI - Buyer's Termination Limitation of Liability

In the event of a termination, whether in whole or in part, of this Subcontract pursuant to the provisions of Clause No. 21 (*Termination for Convenience*) of the Terms and Conditions of the Subcontract, in no event shall Buyer's termination liability at any time exceed the purchase price for [***].

<u>Max Liability Qty</u>	<u>Unit Price</u>	<u>Max Termination</u>
[***]	[***]	[***]

The provision of this Article shall in no way be deemed to limit the rights of Buyer under the provision of Clause No. 26 (*Termination for Default*).

Article VII - Terms of Delivery and Shipment

Unless otherwise directed, shipment of Product will be in accordance with the following:

- A. FOB point and Delivery Point is placement of the Product into the hands of the carrier at Subcontractor's facility, Albuquerque, New Mexico.
- B. Destination of all Product to be delivered hereunder is specified in Article IV (*Delivery*).
- C. Buyer shall be responsible for all costs associated with transportation and insurance of Product to the designated Destination.

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Article VII - Terms of Delivery and Shipment (cont'd)

- D. Confirmation of all shipments of Product, including a copy of the packing list, shall be electronically submitted or faxed to Buyer immediately after delivery to the carrier. This notice shall be directed to Buyer's cognizant Subcontract Administrator as designated in Article XV, with an information copy to Buyer's Traffic Department.
- E. The carrier's delivery receipt, executed and dated by the carrier, shall be considered as evidence of the satisfaction of the delivery requirements set forth for an order issued under this Subcontract.
- F. Title to Equipment deliverable hereunder and risk of loss associated therewith shall be assumed by Buyer when said Equipment is placed into the hands of the carrier at Subcontractor's facility.
- G. Each shipment shall be accompanied by a packing list which shall include the Subcontract Number, Buyer part number, serial number, Subcontractor shipping lot number, applicable prices and total shipment value.

Article VIII - Options

In consideration of the award of this Subcontract, Subcontractor grants to Buyer the unilateral and irrevocable option to purchase up to an additional [***] Solar Cells (the Product), on or before [***]. Buyer may exercise the option through one or more amendments as long as each amendment becomes effective on or before September [***] and the total number of cells ordered under all option amendments does not exceed [***] solar cells. Any order for optional Product shall be confirmed by an amendment to this Subcontract.

Except as expressly provided for herein, nothing in this Subcontract shall be construed as a commitment that Buyer shall purchase additional Solar Cells.

The Firm Fixed Option Unit Prices and associated conditions applicable to Solar Cells exercised by an option under this Subcontract are as follows:

<u>SS/L Part Number</u>	<u>Description</u>	<u>Option Unit Price</u>
E505736-11	Z-Advanced Triple Junction Solar Cell 30.49cm ²	[***]
E323826-11	Advanced Triple Junction Solar Cell 27.55cm ²	[***]
E323826-13	Advanced Triple Junction Solar Cell 30.49cm ²	[***]

Buyer shall schedule Option Cell deliveries within the range of [***] to [***] units per month.

At no additional cost to Buyer, Buyer reserves the right to reschedule deliveries and change Cell type (ATJ, LATJ or ZTJ) by giving Subcontractor a minimum of eight weeks notice of any change. Any direction by Buyer to reschedule delivery shall be in writing and confirmed by Subcontractor within 48 hours (2 business days).

Delivery of Option Cells shall not begin until [***] cells in the Basic agreement have been delivered. Delivery of Option Cells shall begin immediately following the final delivery of the [***] Cells in the Basic agreement in order to maintain continuous production and shall be delivered within a 12 month period. If, however, the Buyer does not take delivery of the total option amount ordered by September 30, 2017 the Parties shall negotiate an equitable escalation rate on the remaining undelivered units; or Buyer may elect to terminate per the provisions in Clause 21 (Termination for Convenience) of the Terms and Conditions and Article VI of this Subcontract.

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Article IX - Deliverable Reports and Documentation

Unless otherwise modified elsewhere herein, Subcontractor will prepare and submit all technical and other documentation as required by this Subcontract, including documentation as required in the Subcontract Data Requirement List (SDRL) of Applicable Document A, as follows:

- A. Subcontractor is to submit all technical and other documentation items via Buyer's VPN accompanied by the appropriate submittal cover page. Technical and other documentation items that can not be submitted via Buyer's VPN must be delivered FOB, Buyer's Facility, Palo Alto, California, addressed as follows:

Space Systems/Loral

3825 Fabian Way Attention: Data Bank
Palo Alto, California 94303 Mail Stop: V-86

The transmittal letter with each item of deliverable documentation furnished by Subcontractor shall be accompanied by a "Data Submittal Cover Sheet" referencing the Subcontract Number, Statement of Work Number, Document Title, and SDRL Item Number.

- B. This Subcontract requires submittal of documentation including, but not limited to, design, analysis, drawings, materials and parts lists and processes which require Buyer approval. Buyer approval, however, does not in any manner constitute relief of the Subcontractor's responsibility for either determining the adequacy of said items for satisfying all requirements of the Subcontract.
- C. If a SDRL requirement of this procurement has been submitted and approved by Buyer in conjunction with a prior procurement and/or amendment under this Subcontract, Subcontractor shall submit a complete listing of previously submitted SDRLs for review and confirmation by Buyer. If a prior SDRL submittal has been approved by Buyer, yet subsequently updated or modified by Subcontractor in any manner whatsoever, such SDRL submittal shall be conveyed in its entirety for review and approval by Buyer. Subcontractor is responsible for confirming that any documentation requiring the approval of Buyer is received by Buyer.
- D. No Class I change, as defined in DRI C10 of Data Requirements Instructions SH E023988, to a SDRL document submitted by the Subcontractor and approved by Buyer shall be incorporated into either documentation or hardware unless and until said proposed change, request for waiver or request for deviation is approved in writing by Buyer's Subcontract representative identified in Article XIV herein.
- E. Failure of Buyer to respond to a Subcontractor request for a change, request for waiver or request for deviation of any nature to Buyer's stated requirements, or a change to a document previously approved by Buyer, shall in no way be construed as Buyer's approval of a change request. Until Subcontractor's request for change is approved in writing by Buyer's Subcontract representative, the request is considered not to be approved.
- F. Subcontractor shall deliver with unlimited rights all technical data and software which Subcontractor provides to Buyer in accordance with the SDRL as set forth in the Applicable Documents under Article I of the Subcontract. Buyer may use the data and software solely for the purpose of fulfilling Buyer's obligations under the prime contract. Any other use of the data and software, such as its application to "reverse engineer" Subcontractor's product, requires the express written consent of Subcontractor.
- G. SDRL items which require Fax submittal shall be sent to Buyer's cognizant Subcontract Administrator identified in Article XV, and to the attention of Buyer's Data Bank at Fax (650) 852-6024.
- H. All data and documentation to be furnished to Buyer shall be in the English language.

Article X - Inspection and Acceptance

- A. As recorded in Paragraph B, below, Buyer and Subcontractor have agreed to modify the requirements for the inspection and acceptance of the Product procured under this Subcontract. Therefore, and with the exception of these modifications as they specifically pertain to Buyer's inspection and acceptance requirements at Subcontractor's facility, the stipulations of Paragraph C, below, will apply. Further, in the event of a conflict between the modified inspection/acceptance requirements of Paragraph B and the requirements of Paragraph C, the former shall prevail.
- B. **Modified Inspection and Acceptance Requirements**
1. In consideration of the award of this Subcontract, and except as noted in Article IV (Delivery), Buyer source inspection of the Product at Subcontractor's facility will be waived upon satisfaction of the following:
 - a) Prior to delivery of the Product ordered herein, Subcontractor shall submit for Buyer approval a one-time source inspection waiver that will be applicable to all procurements made under the Subcontract.
 - b) Subsequent to Subcontractor's inspection of the ATJ Cells contained in a shipping lot, Subcontractor shall electronically submit the End Item Data Package to Buyer's Responsible Engineer and Quality Assurance representative for Buyer review, approval and authorization to ship the Cells.

Buyer will accept or reject Subcontractor's Data Package within two (2) business days [forty-eight hours] after receipt. Excluding circumstances whereby Buyer has requested additional information, in the event Buyer acceptance or rejection is not forthcoming with the stipulated period, Subcontractor may ship the Cells.
 2. Item No. 1 (above) notwithstanding, Buyer has the unilateral, irrevocable right to re-instate the requirement for Buyer source inspection at Subcontractor's facility, including the applicability of Paragraph C, below, in its entirety, and at no additional cost to Buyer, under any of the following circumstances:
 - a) A change in process or design of the solar cell, or
 - b) An out-of-family condition found by Buyer's CIC/Laydown subcontractor, or
 - c) Excluding bare cells damaged in transportation, an incoming inspection bare cell rejection rate by Buyer's CIC/Laydown subcontractor that exceeds 2.0%.
- C. Inspection of the work to be performed under this Subcontract shall be in accordance with the requirements of Clause No. 19 (*Inspection and Acceptance*) of the Terms and Conditions. The inspection period will culminate at such time that Buyer provides written notice of final acceptance of the work performed.
- Authorization to make delivery of the Product hereunder shall occur at Subcontractor's plant upon successful completion of inspections and testing in accordance with the terms and requirements of the Subcontract. Subcontractor shall have demonstrated, by properly documented inspection and test results, full compliance with the performance requirements herein, including correction by the Subcontractor of all deficiencies and all discrepancies pertaining to such inspections and testing, and including completion of further re-testing as may be necessary to demonstrate same. Satisfying the requirements of the Applicable Documents shall not constitute waiver or release the Subcontractor from the responsibility of meeting all of the provisions herein.

Article X - Inspection and Acceptance (cont'd)

Any waiver of a requirement granted by Buyer or acceptance of an out-of-spec condition applies only to the specific unit(s) identified. Said waiver or acceptance of an out-of-spec condition does not constitute a change to or waiver of any requirement of this Subcontract.

- D. Final acceptance of documentation hereunder shall occur at Space Systems/Loral Inc., Palo Alto, California, after review and determination of its compliance with requirements of this Subcontract, including correction by the Subcontractor of all deficiencies and discrepancies pertaining to such items.
- E. Subject to U.S. export regulations, Buyer, and Buyer's Customer when accompanied by Buyer, shall have reasonable access to Subcontractor's facilities, drawings, specifications and descriptions of standards or production processes for Product or software to be delivered hereunder to the extent necessary to ensure compliant performance.
- F. Subject to U.S. export regulations, the work to be performed under this Subcontract is subject to the on-going technical monitoring and pre-shipment inspection of Buyer and Buyer's Customer when accompanied by Buyer on a non-interference basis.
- G. Any review, concurrence or approval by Buyer of activities performed by Subcontractor, including but not limited to any SDRL item submittals, in connection with the work shall not relieve Subcontractor from fulfilling its obligations in meeting the requirements of the Subcontract.

Article XI - Non-Disclosure of Information

For the purpose of this Article "Proprietary Information" means all information, whether transmitted in either oral or written form, relating to past, present or future business, operations systems, prototypes, samples, materials, diagrams, drawings, specifications, descriptions, processes, services, and including information garnered from observing the other Party's processes, equipment and facilities, of a Party to this Subcontract which is disclosed by such Party (hereinafter referred to as the "disclosing Party") to the other Party (hereinafter referred to as the "receiving Party"), and: [a] is identified as proprietary by means of a written legend, or [b] if disclosed orally, is identified as proprietary at the time of initial disclosure and then summarized in a written document supplied to the receiving party within ten (10) days of initial disclosure. Proprietary information shall not include any information disclosed by a Party that is [a] already known to the receiving Party at the time of its disclosure; [b] or becomes publicly known through no wrongful act of the receiving Party; [c] independently developed by the receiving Party; or [d] communicated to a third party with the express written consent of the disclosing Party.

For a period of five (5) years from the effective date of this Subcontract, the receiving Party shall not disclose any Proprietary Information it receives from the disclosing Party to any person or entity except its employees and consultants who have a need to know and have been informed of their obligations under this Article and are subject to a level of confidentiality restrictions that are consistent with the requirements of this Article. The receiving Party shall use not less than the same degree of care to avoid disclosure of such Proprietary Information as it uses for its own Proprietary Information of like importance, but in no event less than a reasonable degree of care.

Absent the prior written consent of the disclosing Party, neither the receiving Party nor its employees will disclose to any third person any Proprietary Information it has acquired under or as a result of this Subcontract. Nothing in this Article prohibits the receiving Party from making use of Proprietary Information furnished by the disclosing Party, or prepared by the disclosing Party or its employees and agents during the course of performance of work under this Subcontract, in order to perform its obligations under the Subcontract. Absent the express written consent of the disclosing Party, the receiving Party shall not use Proprietary Information for purposes of reverse engineering or to pursue any initiative that is not a requirement of this Subcontract.

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Article XI - Non-Disclosure of Information (cont'd)

All Proprietary Information disclosed hereunder in tangible form (including, without limitation, information incorporated in computer software or held in electronic storage media) shall be and remain the property of the disclosing party. Notes and memoranda prepared by the receiving Party which include Proprietary Information shall be considered Proprietary Information for all purposes associated with the Subcontract. With the exception of items required to be deliverable under this Subcontract, upon request of the disclosing Party all such Proprietary Information shall be returned to the disclosing Party promptly or shall be destroyed by the receiving Party and shall not thereafter be retained in any form by the receiving Party.

The rights and obligations of the Parties under this Subcontract shall survive any such return or destruction of Proprietary Information.

The Parties agree that in the event of a breach or threatened breach of the terms of this Article, the disclosing Party shall be entitled to seek an injunction prohibiting any such breach. Any such relief shall be in addition to and not in lieu of any appropriate relief in the way of monetary damages. The parties acknowledge that Proprietary information is valuable and unique and that disclosure in breach of the conditions of this Article may result in irreparable injury to the disclosing Party. A receiving party shall notify the disclosing party in writing immediately upon discovery of an unauthorized use or disclosure of Proprietary Information, and shall reasonably cooperate with the disclosing party to regain possession of the Proprietary Information and prevent any further unauthorized use or disclosure.

In the event of a termination of this Subcontract, all rights and obligations with respect to Proprietary Information disclosed prior to the termination shall survive such termination. The period for exchange of Proprietary Information under this Subcontract will end five (5) years after commencement of this Subcontract.

Except as required by law or the rules and regulations of a governmental agency, neither Party hereto shall in any way or in any form disclose, publicize or advertise the discussions that give rise to this Subcontract or the negotiations leading up to formation of this Subcontract without the prior written consent of the other Party.

Notwithstanding the foregoing, in the event that the receiving Party becomes legally compelled to disclose Proprietary Information, such Party will, to the extent practicable under the circumstances, provide the disclosing Party with written notice thereof and will cooperate with the disclosing Party to a reasonable extent in the event the disclosing Party elects to seek a protective order or other appropriate remedy. In any such event, the receiving party will disclose only such information as is legally required and will exercise reasonable efforts to obtain proprietary treatment for any Proprietary Information being disclosed.

No technical information shall be disclosed or technical assistance provided in violation of applicable export laws. Each Party will comply with all applicable U.S. export laws and regulations, the obligations of which will survive the termination or expiration of this Subcontract.

No changes to the conditions and stipulations of this Article is valid in the absence of a written agreement by the Parties. Neither Party may assign its Proprietary Information rights or obligations without the prior written consent of the other Party.

Neither Party has an obligation to supply Proprietary Information hereunder. Unless otherwise provided for elsewhere in this Subcontract, any exchange or provisioning of Proprietary Information shall not be construed as granting any right or license to the intellectual property owned or controlled by the disclosing Party. Neither Party makes any representations or warranty regarding the accuracy, completeness or freedom from defects of the information disclosed or with respect to infringement of any rights, including intellectual property rights of others. Neither party shall be liable for damages of whatever kind as a result of the other Party's reliance or use of the Proprietary Information provided hereunder.

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Article XII - Technical Assistance

Buyer makes no suggestion of intent nor any representation by this Subcontract that it will provide any technical assistance to Subcontractor in order for Subcontractor to satisfy the requirements of this Subcontract.

Article XIII - Advance Technology Support

Subcontractor will provide to Buyer, free of charge, a mutually agreeable and reasonable level of engineering support in the event Buyer elects to pursue any advance technology associated with the hardware identified in this Agreement.

Article XIV - Export Controls**A. Designation of Defense Articles**

The supplies or services provided hereunder by the Subcontractor are intended for use as, or as part of, an item designated as a defense article listed on the U.S. Munitions List (USML). Any system, component, part, accessory, attachment or associated equipment including ground equipment, test equipment and interface hardware specifically designed, developed, configured, adapted, or modified for articles listed in Category XV of the USML (space systems and associated equipment) are themselves designated as defense articles. The export of all articles and services covered by the USML, including technical data directly related to these articles, is regulated by the U.S. Department of State. Manufacturers of USML items are required by law to be registered with the U.S. Department of State, Office of Defense Trade Controls.

B. Export Compliance

It is the policy of the Buyer to comply strictly and completely with U.S. Government export laws and regulations in all aspects and phases of its business operations.

In furtherance of this policy, the Parties agree that no employee or other person acting on behalf of the Subcontractor in the performance of this Subcontract will ship, mail, hand carry or in any other way export any Munitions List (USML) commodity or directly related technical data to a Foreign Person within or outside the United States, or knowingly cause or permit any other person to do so, without being certain that:

- 1) such export may lawfully be made to the intended foreign recipient, and
- 2) that the export is covered by either an approved export license or a valid license exemption; and
- 3) that all documentation required for the export has been prepared as required by regulation and accompanies the export.

In the case of technical data, the foregoing prohibition applies not only to actual shipments or transmissions of the data out of the United States in oral, written, graphic, photographic, taped or electronic form, but also to the release of the data in the U.S. with the knowledge or intent that the data will be shipped or transmitted from the United States to a foreign person or destination. Disclosure of data to SS/L employees in the course of performance of this effort shall be assumed proper. It also applies to the release of the technical data of United States origin to a Foreign Person in the United States. This includes release to Foreign Person employees (non-U.S. Persons) employed by the Subcontractor or its lower-tier subcontractors.

Technical data from either party must be clearly marked as export-controlled technical data as applicable and handled accordingly.

Article XIV - Export Controls (cont'd)**C. Compliance With Laws**

Subcontractor agrees to comply with all applicable local, state and federal laws, executive orders and regulations pursuant to export and import to and from the United States (including the International Traffic in Arms Regulations) insofar as they apply to it.

D. SS/L Obligation

Buyer's obligations under this Subcontract are subject to and shall be modified if and to the extent required to conform to applicable U. S. Government export laws and/or export license provisions.

Article XV - Amendments and Notices

Sole authority to make changes in or amendments to this Subcontract, and to effect waivers or deviations from the work herein specified is hereby vested in Buyer's authorized Subcontract Department representative. Except as otherwise specifically provided for herein, any notices to be furnished by Subcontractor to Buyer, or by Buyer to Subcontractor, shall be sent by mail, electronic messaging, or fax addressed respectively as follows:

To Buyer: **Space Systems/Loral, Inc.**
 3825 Fabian Way
 Palo Alto, California 94303

 Attention: Kirk Shiimoto
 Mail Stop Z53
 Phone 650-852-7061
 Fax 650-852-5448
 shiomotk@ssd.loral.com

To Subcontractor: **Emcore Corporation**
 10420 Research Road SE
 Albuquerque, New Mexico 87123

 Attention: Au Ly
 Phone 505-332-5027
 Fax 505-332-5100
 Au_Ly@emcore.com

TERMS AND CONDITIONS

In addition to the provisions set forth in the **Schedule** of this Subcontract, Fixed Price Procurement Order Terms and Conditions **SS/L P-10S (9/99)** are applicable and incorporated herein except as modified below:

Clause No. 3 Indemnity By Seller

- Language is deleted and, in lieu thereof, replaced with the following:

Subject to the limitation set forth below, Seller shall defend, indemnify and hold harmless Buyer and Buyer's Customer and their respective affiliates, officers, directors, employees, shareholders and agents, from and against all losses, costs, damages, suits, expenses and liabilities (including, but not limited to, Buyer's reasonable attorney's fees) that: (i) result from any physical damage to Buyer's or Buyer's Customer's tangible property or any personal injury (including death) caused by the negligence or willful misconduct of Seller (or its employees, agents and/or Lower Tier Subcontractors); or (ii) result from any claims brought by a party other than Buyer or Buyer's Customer against Seller (or its employees, agents and/or Lower Tier Subcontractors) in the performance of this Subcontract; provided that Buyer or Buyer's Customer (or their employees or agents) did not engage in any intentional misconduct or knowingly violate any law in the claimed conduct in question.

- Add as new paragraph:

a. Limitations

Buyer shall within a reasonable period of time provide Seller with written notice of any actual or threatened claim arising from Seller performance under this Subcontract. Buyer shall reasonably cooperate with Seller, at Seller's expense, in connection with such defense.

Clause No. 11 Price Warranty

- Clause is re-titled. Language is deleted and, in lieu thereof, replaced with the following:

Clause No. 11 Most Favored Customer Pricing

Seller Warrants that during the effective term of the Subcontract, all prices for the Product sold to Buyer are more favorable than the unit prices offered by Subcontractor to any other customer for the same Product- as defined by the Specification- within the same timeframe and for the same quantity range.

TERMS AND CONDITIONS (Cont'd)**Clause No. 21 Termination for Convenience**

- Paragraph (b), Item (5) is modified by first moving the word *and* from the seventh line to the end of sub-item (ii), then adding sub-item (iii), as follows:

are not structured in a manner such that its makeup is considered proprietary to Subcontractor and its conveyance to Buyer would compromise the confidentiality of the composition of such items.

- Paragraph (c), Item (2) and Item (3), is modified by the addition of the following after the words *Actual costs incurred by Seller:*
,including a profit as negotiated between Buyer and Seller,
- Paragraph (e), second sentence, is modified by the insertion of the word *reasonable* between the words *have* and *access*.

Clause No. 22 Changes

- Paragraph (a), subparagraph, first sentence, is modified by deleting the reference to *twenty (20) days* and inserting *thirty (30) days*.
- Paragraph (a), subparagraph, third sentence (*If Seller fails...as a result of such change*), is deleted in its entirety.
- Paragraph (a), subparagraph, last sentence, the following is added to the sentence:

, provided these items are not structured in a manner such that their makeup is considered proprietary to Subcontractor and its conveyance to Buyer would compromise the confidentiality of the composition of such items.

Clause No. 23 Stop Work Order

- Paragraph (a), first sentence and fourth sentence, is modified by deleting the reference to *one hundred eighty (180) days* and, in lieu thereof, the following is inserted:

ninety (90) days

- Paragraph (b), (c) and (e) is modified by deleting any reference to *twenty (20) days* and, in lieu thereof, the following is inserted:

thirty (30) days

TERMS AND CONDITIONS (Cont'd)**Clause No. 24 Excusable Delays**

- Paragraph (a), is modified by inserting the words raw material shortages, between the words ...*quarantine restrictions*, and *labor disputes*...

Clause No. 25 Rights in Inventions

- Add the following at the end of the Clause:

Buyer may place for sale any Product it has purchased from Seller and Seller shall have first right of refusal to purchase such Product from Buyer. In the event Buyer elects to sell the Product, Buyer will provide written notice to Seller who, in turn, must notify Buyer within seven (7) calendar days of its election with regard to the Product offered.

Seller will have waived its right of first refusal if:

(i) Buyer has not received written notice from Seller within the stipulated period of Seller's intent to purchase the Product, or

(ii) Seller does notify Buyer of its intent to purchase the Product, yet the Parties are unable to consummate a purchase agreement within thirty (30) calendar days from Buyer's initial notification to Seller.

Buyer is prohibited from offering Seller's Product for sale to any third party for the purpose of reverse engineering the Product.

Clause No. 26 Termination for Default

- Paragraph (a), Item No. (2), is modified by deleting the reference to *ten (10) days* and, in lieu thereof, the following is inserted:

twenty (20) days

- Paragraph (c) is deleted in its entirety and, in lieu thereof, the following is inserted:

(c) In the event Buyer terminates this Subcontract in whole or in part as provided in Clause 26 paragraph (a), Buyer may require Seller to transfer title and deliver to Buyer in the manner and to the extent directed by Buyer, any completed Products. Payment for completed Products delivered to and accepted by Buyer shall not exceed the Subcontract price thereof.

TERMS AND CONDITIONS (Cont'd)**Clause No. 29 Technical Data**

- The language in Paragraph (a) is deleted in its entirety and, in lieu thereof, the following is inserted:

Subject to the restrictions below, Buyer and its Customer shall have the unlimited right to use, for any purpose, all technical documentation and the information contained therein, which is required to be delivered under this Subcontract.

Buyer and its Customer shall not use or reveal to third parties any such information and documentation for the purpose of reverse engineering or diminishing the technological and competitive standing of Seller's Product.

Clause No. 32 Patent Indemnity

- Add the following as the introduction to this Clause:

Provided Seller's Product is not itself determined to be infringing, Seller shall not indemnify Buyer or Buyer's Customer if any infringement or claim is based upon the following circumstances:

- (i) the unauthorized modification of the Product by Buyer, Buyer's Subcontractor, or Buyer's Customer, or*
- (ii) the unauthorized use of the Product by Buyer in combination with other products,*

Otherwise,

- Paragraph (b), Item (iii):

Between the words *modify* and *the infringing* insert the words *or replace*.

TERMS AND CONDITIONS (Cont'd)**Clause No. 33** **Warranty**

- The following is deleted from Paragraph (a):

Shall be suitable for its intended purpose,

- The language in Paragraph (b) is deleted in its entirety and, in lieu thereof, the following is inserted:

Notice of any defect shall be given to Seller within two (2) years from the date of final acceptance by Buyer of the defective Product or until launch of the spacecraft into which the Product was integrated, whichever occurs first, except that (i) notice of a defect in a corrected or replaced Product shall be given within two (2) years after the date of final acceptance by Buyer of the corrected or replaced item, and (ii) notice of either a latent defect or a defect that was caused or concealed by fraud or such gross mistakes amounting to fraud may be given at any time.

- The last sentence in Paragraph (c) is deleted in its entirety and, in lieu thereof, the following is inserted:

Notwithstanding any contrary provision of this Subcontract, Seller's maximum liability for direct warranty damages (repair/replacement/credit) under this Clause No. 33 is limited to the Subcontract Price, plus ten percent (10.0%) of any credited price in the event of re-procurement by Buyer. Seller's maximum liability for indirect or consequential warranty damages (e.g. panel substrate replacements and cell laydown re-work) arising out of any compensable direct warranty claim under this Clause No. 33 shall be limited pursuant to Section 36 of this Subcontract.

- The following sentence is added to Paragraph (e):

All warranty returns shall be in accordance with Seller's standard Return Material Authorization (RMA) policy.

- The language in Paragraph (f) is deleted and, in lieu thereof, the following is inserted:

(f) Exceptions

The foregoing warranty will not apply if (i) the Product has been subjected to operating conditions or test protocols that are outside of or inconsistent with the limitations or restraints identified in Seller's specifications, (ii) the non-conformity is the result of misuse, abuse, unauthorized alteration, improper storage or handling that takes place after delivery to Buyer, or (iii) the Product is clearly identified by Seller as non-flight units.

- Add as Paragraph (g) the following:

(g) Limitations

NOTWITHSTANDING ANY CONTRARY PROVISION, THE ABOVE WARRANTIES PROVIDED UNDER THIS CLAUSE NO. 33 ARE THE SOLE AND EXCLUSIVE REMEDIES RELATING TO SELLER'S PRODUCT WARRANTY OBLIGATIONS UNDER THIS SUBCONTRACT. IN NO EVENT SHALL SELLER BE LIABLE FOR ANY WARRANTIES IMPLIED BY LAW OR OTHERWISE, INCLUDING ANY WARRANTY OF MERCHANTABILITY- EXCEPT AS PROVIDED IN (a) ABOVE- OR FITNESS FOR A PARTICULAR PURPOSE.

TERMS AND CONDITIONS (Cont'd)

Clause No. 35 Product Support

- Paragraph (a), second sentence, is modified by adding the following language between the words ...*delivered unlaunched Products* and *required by Buyer*::

that are covered by Clause No. 33 (Warranty) as

- Paragraph (c), second sentence, is deleted in its entirety and, in lieu thereof, the following is inserted:

In the event Seller discontinues manufacture of the Products deliverable under this Subcontract and an alternate qualified source is not available to Buyer, Seller will enter into negotiations for Buyer to acquire a license for the intellectual property necessary to continue the manufacture of the Products. Further, in the event Buyer elects to acquire the tooling and equipment necessary to manufacture the Products, the Parties will enter into negotiations for the purchase of these resources.

Clause No. 36 Year 2000 Warranty

- The title of and language in this Clause is deleted in its entirety and, in lieu thereof, the following is inserted:

Clause No. 36 Limitation of Liability

EXCLUDING ANY BREACH OF CONFIDENTIALITY, AND EXCEPT TO THE EXTENT ARISING OUT OF A PARTY'S NEGLIGENCE, GROSS NEGLIGENCE OR WILLFUL MISCONDUCT, EACH PARTY'S LIABILITY FOR INDIRECT, INCIDENTAL, SPECIAL OR CONSEQUENTIAL DAMAGES, WHETHER ARISING IN TORT, CONTRACT OR OTHERWISE, IS LIMITED TO THE CONTRACT PRICE.

- Add the following Clause:

Clause No. 37 Severability

If any provision of this Agreement is found illegal or unenforceable under Clause No. 27 (*Disputes*), the validity of the remaining provisions shall not be affected thereby.

SIGNATURE PAGE

IN WITNESS WHEREOF, the Parties hereto have entered into this Subcontract as of the day and year first written above:

Space Systems/Loral, Inc.

By: /s/ Kirk Shiimoto

Kirk Shiimoto

Title: Subcontract Administrator

Date: May 5, 2011

EMCORE Corporation

By: /s/ Hong Q. Hou

Name: Hong Q. Hou

Title: CEO

Date: May 5, 2011

SS/L PROPRIETARY - This document may contain data and/or information proprietary (competition sensitive) to Space Systems/Loral (SS/L). This data/information shall not be disclosed, disseminated or reproduced, in whole or in part, without the express prior written approval of SS/L.

EMPLOYMENT AGREEMENT

This Employment Agreement (“Agreement”) is dated effective as of August 2, 2011 (the “Effective Date”), between EMCORE Corporation, a New Jersey corporation (“the Company”), and Reuben F. Richards, Jr (“Executive”). In consideration of the mutual covenants and agreements set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I

EMPLOYMENT

The Company hereby employs Executive, and Executive accepts employment with the Company upon the terms and conditions herein set forth.

1.1 Employment. The Company hereby employs Executive, and Executive agrees to serve as the Company's Executive Chairman, reporting to the Board of Directors, or in such other management position consistent with Executive's experience, expertise and reputation in the industry, as the Company shall determine. Executive agrees to devote Executive's full business time and attention and best efforts to the affairs of the Company during his/her employment. Executive shall perform his/her duties, responsibilities and functions to the Company hereunder to the best of his/her abilities in a diligent, trustworthy, professional and efficient manner. Executive shall be headquartered in Newark, CA, but shall do such traveling as may be reasonably required of him/her in the performance of such duties. So long as Executive is employed by the Company, Executive shall not, without the prior written consent of the Compensation Committee (defined below), perform other services for compensation except that Executive may engage in charitable or civic activities so long as such activities do not materially interfere with the performance of Executive's duties and responsibilities hereunder. If an outside activity subsequently creates a conflict with the Company's business or prospective business, Executive agrees to cease engaging in such activity at such time. Executive will observe and adhere to all applicable written Company policies and procedures adopted from time to time, such as they now exist or hereafter are supplemented, amended, modified or restated.

1.2 At-Will Relationship. Executive's employment shall be “at-will” and may be terminated by Executive or the Company with or without cause and with or without prior notice (except as otherwise provided under Article IV), subject only to the severance obligations as described in this Agreement.

ARTICLE II

COMPENSATION

2.1 Annual Salary and Incentive Programs. During the employment of Executive, the Company shall pay to Executive an initial base salary at the annual rate of \$450,444.75, or an adjusted rate (the “Base Salary”) determined by the Compensation Committee of the Board of Directors (the “Compensation Committee”), payable in regular installments in accordance with the Company's customary payroll practices (as in effect from time to

time). The Company shall review Executive's Base Salary annually at the time of Executive's performance review discussed below and may, in its sole and absolute discretion, increase Executive's Base Salary in light of Executive's performance, inflation, cost of living, and other factors deemed relevant by the Company; however, Executive's Base Salary may not be decreased below the initial Base Salary without the Executive's prior consent. The Compensation Committee of the Company shall meet with Executive annually to review Executive's performance, objectives and compensation, including salary, bonus and stock options. If the Compensation Committee determines that any adjustments thereto are appropriate it shall direct the Chief Administration Officer to make such adjustments, as it deems appropriate, consistent with this Agreement.

2.2 Bonus. To be eligible to receive an award under any annual Company bonus or pay-for-performance plan, the Executive must be employed on the last day of the Company's fiscal year or the otherwise defined bonus/performance period. If the Executive's employment is terminated, except for Cause as defined below, after the end of a fiscal year but before the annual bonus or pay-for-performance payments are distributed, the Executive shall be entitled to the annual bonus or pay-for-performance payment attributable to Executive for the immediately preceding fiscal year, if any. The Company shall make this payment at the same time it pays all other employees in accordance with the Company's normal practices, but no later than March 15th of the applicable year.

2.3 Long-Term Incentive. Executive shall be eligible for equity awards under the Company's equity award plan covering senior executives, as in effect from time to time and as approved in the sole discretion by the Compensation Committee (the "Equity Awards").

2.4 Grant Agreements. Equity Awards will be governed by separate agreements, and in the event of any inconsistency between such separate agreements and the terms of this Agreement (including, but not limited to this Agreement's Section 4.6 covering vesting on termination), this Agreement shall govern and control. For avoidance of doubt, nothing in the preceding sentence shall be construed to limit the application of any provision of such separate agreements that expressly refers to and incorporates a provision of this Agreement.

2.5 Reimbursement of Expenses. Executive shall be entitled to receive prompt reimbursement of all reasonable and necessary expenses incurred by Executive in performing services hereunder, provided that such expenses are incurred and accounted for strictly in accordance with the policies and procedures established from time to time by the Company.

2.6 Benefits. Executive shall be entitled to participate in and be covered by health insurance, 401(k) and other employee plans and benefits currently or hereafter established for the employees of the Company generally (collectively referred to as the "Company Benefit Plans") on at least the same terms as other executive officers of the Company, subject to meeting applicable eligibility requirements. Executive understands that any such Company Benefit Plans may be terminated or amended from time to time by the Company in its discretion, and that participation and benefits under such Company Benefit Plans shall be determined in accordance with the applicable terms and provisions thereof.

2.7 Paid Time Off and Holidays. The Company does not currently limit Paid Time Off ("PTO") for its executives, and Executive shall be entitled to PTO in accordance with the Company's PTO policy in effect from time to time with respect to executives. The Company observes ten (10) paid holidays per calendar year. Nine (9) of the Company-observed holidays are the same each year; one (1) "floating" holiday is determined by the Company annually.

ARTICLE III

CONFIDENTIALITY, NONDISCLOSURE, AND NONSOLICITATION

3.1 Confidentiality and Intellectual Property. The Executive is bound by the terms of the Confidential Information & Invention Assignment Agreement signed on or about the date of hire. Any reference to restrictive covenants or post-termination obligations under this Agreement shall include the obligations on Executive under such Confidential Information & Invention Assignment Agreement.

3.2 Prohibition on Solicitation of Customers and Employees. During Executive's employment with the Company and, in the event of Executive's termination of employment, for a period equal to two (2) years following such termination, Executive shall not, directly or indirectly, whether on behalf of himself or any other person or entity, (i) solicit any employee, agent, consultant or independent contractor of the Company to leave the employ, agency or services of the Company, or in any way interfere with the relationship between the Company and any such person, or (ii) call on, solicit or service any customer, supplier, licensee, licensor or other business relation of the Company in order to induce or attempt to induce such person to cease doing business with, or reduce the amount of business conducted with, the Company, or in any way interfere with the relationship between any such customer, supplier, licensee or business relation of the Company. However, Executive may solicit any employee, agent, consultant or independent contractor who voluntarily terminates his or her employment, agency or services with the Company; however, Executive may not make any such solicitation until a period of one-hundred eighty (180) days has elapsed following the termination date of such employee, agent, consultant or independent contractor (it being conclusively presumed by the parties so as to avoid any disputes under this Section 3.2 that any such hiring within such 180-day period is in violation of this Section 3.2). None of the foregoing shall be deemed a waiver of any and all rights and remedies the Company may have under applicable law.

3.3 Enforcement. It is the intent of the parties that the restrictive covenants contained in this Article III are severable and separate and the unenforceability of any individual provision shall not affect the enforceability of any other. If any covenant in this Article III is held to be unreasonable, arbitrary, or against public policy, such covenant will be considered to be divisible with respect to scope, time, and geographic area; and such lesser scope, time, or geographic area, or all of them, as a court of competent jurisdiction may determine to be reasonable, not arbitrary, and not against public policy, will be effective, binding and enforceable against the Executive. The restrictive covenants of this Article III shall survive this Agreement, and remain in full force and effect until the expiration of the period specified herein.

3.4 Remedy. If Executive breaches, or threatens to commit a breach of, any of the restrictive covenants, the Company shall have the following rights and remedies, each of which rights and remedies shall be independent of the others and severally enforceable, and each of which is in addition to, and not in lieu of, any other rights and remedies available to the Company at law or in equity: (i) the right and remedy to have the restrictive covenants specifically enforced by any court of competent jurisdiction (without posting a bond), it being agreed that any breach or threatened breach of the restrictive covenants would cause irreparable injury to the Company and that money damages would not provide an adequate remedy to the Company; and (ii) the right and remedy to require Executive or any applicable person or entity to account for and pay over to the Company any profits, monies, accruals, increments or other benefits derived or received by Executive or such person or entity as the result of any transactions constituting a breach of the restrictive covenants. In the event of any breach by Executive of any of the

restrictive covenants, the time period of such covenant with respect to Executive shall be tolled until such breach or violation is resolved.

3.5 Acknowledgement. Executive has consulted with legal counsel regarding the restrictive covenants contained in this Article III and based on such consultation has determined and hereby acknowledges that the restrictive covenants are reasonable in terms of duration, scope and area restrictions and are necessary to protect the goodwill of the Company. Executive acknowledges that the consideration that Executive will receive pursuant to this Agreement serves as sufficient consideration for Executive's promises to abide by the restrictive covenants set forth in this Article III.

ARTICLE IV

TERMINATION

4.1 Definitions. For purposes of this Article IV, the following definitions in Sections 4.2-4.5 shall apply to the terms set forth below:

4.2 Cause. "Cause" means termination of employment resulting from a good faith determination by the Board of Directors or its delegate that:

- a) Executive has failed or repeatedly refused to follow policies or reasonable directives established by Executive's direct manager or the Board of Directors with the result that such performance has caused material damage to the Company, or Executive has failed or repeatedly refused to perform the material duties or obligations of his or her office (other than any such failure resulting from the person's inability due to physical or mental illness), which Executive has failed to correct within a reasonable period of time following the receipt of written notice of such failure by Executive; or
 - b) There has been an act by Executive involving wrongful misconduct which has a demonstrably adverse impact on or caused material damage to the Company, or which constitutes theft, fraud or a misappropriation of the assets of the Company; or
 - c) Executive has engaged in an intentional or reckless and unauthorized disclosure of confidential information, directly or indirectly, to persons outside the Company that materially adversely affects the Company; or
 - d) Executive, while employed by the Company, has performed services for another company or person which competes with the Company without the prior written approval of the Board of Directors or Executive's direct manager.
 - e) Conduct by Executive which in the good faith, reasonable determination of the Board of Directors demonstrates gross unfitness to serve including, but not limited to, gross neglect, non-prescription use of
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controlled substances, any abuse of controlled substances whether or not by prescription, or habitual drunkenness, intoxication, or other impaired state induced by consumption of any drug, including, without limitation, alcohol.

4.3 Change in Control. "Change in Control" shall mean the occurrence of any of the following:

- a) an acquisition in one transaction or a series of related transactions (other than directly from the Company or pursuant to options granted under any Company plan or other similar awards granted by the Company) of any voting securities by any individual, corporation, limited liability company, partnership, trust, or any other entity or any group (each a "Person"), immediately after which such Person has beneficial ownership of fifty percent (50%) or more of the combined voting power of the Company's then outstanding voting securities; or
- b) the individuals who, immediately prior to the effective date, are members of the Board (the "Incumbent Board"), cease for any reason to constitute at least a majority of the members of the Board; provided, however, that if the election, or nomination for election, by the Company's common stockholders, of any new director was approved by a vote of at least a majority of the Incumbent Board, such new director shall, be considered as a member of the Incumbent Board; provided further, however, that no individual shall be considered a member of the Incumbent Board if such individual initially assumed office as a result of either an actual or threatened "Election Contest" (as described in Rule 14a-11 promulgated under the Exchange Act) or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board (a "Proxy Contest"), including by reason of any agreement intended to avoid or settle any election contest or proxy contest; or
- c) the consummation of:
 - i. a merger, consolidation or reorganization involving the Company unless:
 - (1) the stockholders of the Company, immediately before such merger, consolidation or reorganization, own, directly or indirectly, immediately following such merger, consolidation or reorganization, more than fifty percent (50%) of the combined voting power of the outstanding voting securities of the corporation resulting from such merger or consolidation or reorganization (the "Surviving Corporation") in substantially the same proportion as their ownership of the voting securities immediately before such merger, consolidation or reorganization, and
 - (2) the individuals who were members of the Incumbent Board immediately prior to the execution of the agreement providing for such merger, consolidation or reorganization constitute at least a majority of the members of the Board of Directors of the Surviving Corporation, or a corporation beneficially owning, directly or indirectly, a majority of the voting securities of the Surviving Corporation, and
 - (3) no Person, other than (i) the Company, (ii) a any corporation or other Person of which a

majority of its voting power or its voting equity securities or equity interest is owned, directly or indirectly, by the Company, (iii) any employee benefit plan (or any trust forming a part thereof) that, immediately prior to such merger, consolidation or reorganization, was maintained by the Company, the Surviving Corporation, or any Related Entity, or (iv) any Person who, together with its Affiliates, immediately prior to such merger, consolidation or reorganization had Beneficial Ownership of fifty percent (50%) or more of the then outstanding voting securities, owns, together with its Affiliates, beneficial ownership of fifty percent (50%) or more of the combined voting power of the Surviving Corporation's then outstanding voting securities (a transaction described in clauses (1) through (3) above is referred to herein as a "Non-Control Transaction"); or

ii) a complete liquidation or dissolution of the Company; or

iii) an agreement for the sale or other disposition of fifty percent (50%) or more of the assets or business of the Company to any Person (other than a transfer to a Related Entity or the distribution to the Company's stockholders of the stock of a Related Entity or any other assets). For the avoidance of doubt any sale or other disposition of a majority of the Company's fiber optics business or its photovoltaics business will be deemed a Change in Control.

Notwithstanding the foregoing, a Change in Control shall not be deemed to occur solely because any Person (the "Subject Person") acquired beneficial ownership of fifty percent (50%) or more of the combined voting power of the then outstanding voting securities as a result of the acquisition of voting securities by the Company which, by reducing the number of voting securities then outstanding, increases the proportional number of shares Beneficially Owned by the Subject Persons, provided that if a Change in Control would occur (but for the operation of this sentence) as a result of the acquisition of voting securities by the Company, and (1) before such share acquisition by the Company the Subject Person becomes the beneficial owner of any new or additional voting securities in a related transaction, or (2) after such share acquisition by the Company the Subject Person becomes the beneficial owner of any new or additional voting securities which in either case increases the percentage of the then outstanding voting securities beneficially owned by the Subject Person, then a Change in Control shall be deemed to occur. (x) "Affiliate" shall mean, with respect to any Person, any other Person that, directly or indirectly, controls, is controlled by, or is under common control with, such Person; (y) any "Relative" (for this purpose, "Relative" means a spouse, child, parent, parent of spouse, sibling or grandchild) of an individual shall be deemed to be an Affiliate of such individual for this purpose; and (z) neither the Company nor any Person controlled by the Company shall be deemed to be an Affiliate of any holder of Common Stock.

4.4 Good Reason. "Good Reason" shall mean:

- a) Assignment of Executive without Executive's written consent to a position, responsibilities or duties of a materially lesser status or degree of responsibility than his or her position, responsibilities or duties as of the date of this Agreement; or
 - b) A requirement that Executive relocate, except for office relocations that would not increase the Executive's one-way commute by more than fifty (50) miles, or a requirement that Executive travel more than an average of two (2) days per week; or
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c) A reduction by the Company of Executive's Base Salary below the initial Base Salary or, following a Change in Control, below Executive's Base Salary at the time of the Change in Control, without Executive's consent; or

d) Any material breach by the Company of any provision of this Agreement without Executive having committed any material breach of Executive's obligations hereunder.

Notwithstanding the foregoing, the events listed in items (a) through (d), above, shall constitute "Good Reason" only where the Company is given notice and an opportunity to cure, as described in Section 4.6(b)(vi), below.

4.5 Severance Benefits. The term "Severance Benefits" refers to the benefits and payments set forth in Section 4.6 (excepting any payment of Executive's Base Salary through the Effective Date of such termination).

4.6 Severance Benefits Received Upon Termination.

a) If the Company terminates Executive's employment for Cause, or Executive terminates this Agreement without Good Reason, then the Company shall pay Executive's Base Salary through the Effective Date of such termination and the Company shall thereafter have no further obligations to Executive under this Agreement.

b) If Executive's employment is terminated by the Company without Cause, or if Executive's employment is terminated by Executive for Good Reason, then the Company shall pay Executive's Base Salary through the Effective Date of such termination and also provide Executive:

i. Continuation of Base Salary for a period equal to (a) one (1) year, plus (b) two (2) weeks, plus (c) two (2) additional weeks for each whole year Executive was employed by the Company (the "Severance Period"). All severance payments will be paid out over time and on the regular paydays of the Company, to the extent administratively feasible.

ii. In accordance with the Company's health plans, Executive will be eligible to exercise his or her rights to COBRA health insurance coverage for the Executive, and, where applicable, Executive's spouse and eligible dependents, at Executive's expense (subject to the following provision), upon termination of Executive's employment. To the extent Executive elects COBRA continuation coverage, the Company shall continue to pay the portion of Executive's COBRA premiums for the entire Severance Period up to a maximum of eighteen (18) months that the Company would have otherwise paid assuming Executive was an active employee during such time. Executive acknowledges that as a condition of the Company's payment of its portion of the COBRA premium, Executive will pay by check made payable to the Company the amount equal to Executive's portion of the COBRA premiums during the Severance Period. Nothing herein shall be construed as extending or delaying the start date of the COBRA coverage period for Executive. All

voluntary payroll deductions, including but not limited to 401(k), ESPP and term life, will cease effective on the employment separation date.

iii. The Company shall provide to Executive standard outplacement services at the expense of the Company from an established outplacement firm selected by the Company; provided, however, that the cost of the benefits shall be commensurate with the level of the Executive and, absent special circumstances, shall generally not exceed in total an amount equal to \$15,000 per Executive. In order to receive outplacement services, the Executive must begin utilizing the services within thirty (30) days following his or her date of termination, and any Company-provided outplacement service shall cease no later than 12 months following such termination date. The fees shall be paid directly to the outplacement firm and no part of this amount shall be paid to the Executive.

iv. Acceleration and immediate vesting of one hundred percent (100%) of Executive's Equity Awards (excepting such performance-based Equity Awards that would otherwise be disqualified as "performance-based" compensation under section 162(m) of the Code) which have not yet vested by Executive's date of termination, and such accelerated Equity Awards as well as any other Equity Awards which have vested and which are then exercisable, shall remain exercisable for a period of three (3) years following the employment separation date (but no later than the expiration of the term of the applicable Equity Award) and shall then expire and be of no further force or effect.

v. As a condition to Executive's right to receive the Severance Benefits provided for in this Section 4.6, Executive shall, upon termination of his/her employment, enter into a general release agreement in a form to be determined by the Company. Such release shall be executed and not revoked by Executive (or if applicable, Executive's estate or legal guardian) such that the release is effective and binding and non-revocable by the end of the 60-day period after Executive's termination of employment, and any amounts that would otherwise be payable and rights that would otherwise be effective during the 60-day period in the absence of the preceding release requirement shall be payable and effective on the 60th day after Executive's termination of employment. To the extent that the release is not executed or is revoked as provided herein, all payments, rights and benefits due to Executive under this Section 4.6 that are not otherwise required by law shall be forfeited. Executive's receipt of any payments or benefits under this Section 4.6 is also contingent upon Executive's compliance with all post-employment obligations under this Agreement, including but not limited to the restrictive covenants in Article III.

Notwithstanding the foregoing:

vi. To the extent that Executive's termination of employment from the Company is by Executive for Good Reason, the date of termination must occur within nine (9) months following the initial existence of the condition constituting the Good Reason (the "Condition"); Executive must give the Compensation Committee written notice of the Condition within a period of ninety (90) days of the initial existence of the Condition; and the Company must have a period of thirty (30) days from the date such written notice is provided to the Compensation Committee in which to remedy the Condition and avoid paying any Severance Benefits. If the Condition is not remedied during the thirty-day cure period, Executive shall then be entitled to provide written notice to the Compensation Committee of Executive's termination for Good Reason before the end of such nine-

month period.

c) If, within thirty-six (36) months of a Change in Control, Executive's employment is terminated by the Company or its successor in interest without Cause or by Executive for Good Reason, then the Company shall pay Executive's Base Salary through the Effective Date of such termination and also provide Executive the Severance Benefits described in Section 4.6(b)(i)-(v) above (subject to the execution of the release as provided in Section 4.6(vi)).

d) If Executive's employment is terminated as a result of death, then the Company shall pay Executive's Base Salary through the Effective Date of such termination and the Company shall provide Executive's spouse and dependent children health insurance coverage as then in effect for Executive, Executive's spouse and dependent children for a period of twelve (12) months, subject to the payment of any employee contribution, as required by the Company's health insurance plans covered by COBRA. Health insurance benefits subsequent to the initial twelve (12) month period will be in accordance with COBRA. Nothing herein shall be construed as extending or delaying the start date of the COBRA coverage period for Executive's spouse and dependent children. The Company shall thereafter have no further obligations under this Agreement.

4.7 Benefit Limit. In the event that any payment or benefit (including salary continuation payments, accelerated option vesting or continued health insurance coverage) received or to be received by Executive pursuant to this Agreement (or in connection with Executive's termination of employment or contingent upon a Change in Control of the Company pursuant to any plan or arrangement or other agreement with the Company (or any affiliate)) (collectively the "Payments") would constitute a parachute payment within the meaning of Section 280G of the Internal Revenue Code of 1986, as amended (the "Code"), then the following limitation shall apply:

The aggregate present value of those Payments shall be limited in amount to the greater of the following dollar amounts (the "Benefit Limit"):

- i. 2.99 times Executive's Average Compensation, or
- ii. the amount which yields Executive the greatest after-tax amount of Payments under this Agreement after taking into account any excise tax imposed under Code Section 4999 on those Payments.

The present value of the Payments will be measured as of the date of the Change in Control and determined in accordance with the provisions of Code Section 280G(d)(4).

Average Compensation shall have the meaning determined in accordance with the provisions of Code Section 280G.

4.8 Resolution Procedure. For purposes of the foregoing Benefit Limit, the following provisions will be in effect:

a) In the event there is any disagreement between Executive and the Company as to whether one or more Payments to which Executive becomes entitled under this Agreement constitute parachute payments under Code Section 280G or as to the determination of the present value thereof, such dispute will be resolved as follows:

i. In the event temporary, proposed or final Treasury Regulations in effect at the time under Code Section 280G (or applicable judicial decisions) specifically address the status of any such Payment or the method of valuation therefor, the characterization afforded to such Payment by the Regulations (or such decisions) will, together with the applicable valuation methodology, be controlling.

ii. In the event Treasury Regulations (or applicable judicial decisions) do not address the status of any Payment in dispute, the matter will be submitted for resolution to a nationally-recognized independent accounting firm mutually acceptable to Executive and the Company ("Independent Accountant"). The resolution reached by the Independent Accountant will be final and controlling; provided, however, that if in the judgment of the Independent Accountant the status of the payment in dispute can be resolved by means of obtaining a private letter ruling from the Internal Revenue Service, a formal and proper request for such ruling will be prepared and submitted, and the determination made by the Internal Revenue Service in the issued ruling will be controlling. All expenses incurred in connection with the retention of the Independent Accountant and (if applicable) the preparation and submission of the ruling request shall be borne by the Company.

4.9 Reduction of Benefits. To the extent the aggregate present value of the Payments would exceed the Benefit Limit, the salary continuation payments will first be reduced, and then the accelerated vesting of the Equity Awards (based on their parachute value under Code Section 280G) will be reduced, to the extent necessary, to assure that such Benefit Limit is not exceeded.

4.10 No Other Severance. Executive hereby acknowledges and agrees that, other than the Severance Benefits, upon the termination of Executive's employment, Executive shall not be entitled to any other severance under any Company benefit plan or severance policy generally available to the Company's employees or otherwise.

4.11 Post-Termination Benefits. Except as otherwise expressly provided herein, all of Executive's rights to salary, bonuses, employee benefits and other compensation hereunder which would have accrued or become payable after the termination of Executive's employment shall cease upon such termination, other than those specifically provided for under the Company Benefit Plans (subject to the provisions herein) or as otherwise expressly required under applicable law (such as COBRA).

4.12 Return of Property. In case of Executive's termination, Executive shall promptly return to the Company all property, of any nature whatsoever, that Executive may have received from the Company for use during his/her employment and all physical embodiments of the Confidential Information (as defined in the Confidential Information & Invention Assignment Agreement) (regardless of form or medium) in the possession of or under the

control of Executive.

4.13 No Mitigation. Executive shall not be required to seek employment or otherwise mitigate Executive's damages in order to be entitled to the benefits and payments to which Executive is entitled under this Agreement.

ARTICLE V INDEMNIFICATION

5.1 During Executive's employment and thereafter throughout all applicable limitation periods, the Company shall provide Executive (including his heirs, personal representatives, executors and administrators) with such coverage as will be generally available to senior officers of the Company under the Company's then current Directors and Officers Liability Insurance Policy at the Company's sole expense.

5.2 In addition to the insurance coverage provided for in Section 5.1 above, the Company shall defend, hold harmless and indemnify Executive (and his heirs, personal representatives, executors and administrators) to the fullest extent permitted under applicable law, against all expenses and liabilities reasonably incurred by him in connection with or arising out of any action, suit or proceeding in which Executive may be involved by reason of his having been an officer, director or employee of the Company (whether or not he continues to be an officer, director or employee of the Company at the time such expenses or liabilities are incurred), such expenses and liabilities to include, but not be limited to, judgments, court costs, attorneys' fees and the cost of reasonable settlements. The Company shall maintain bylaws authorizing such indemnification of Executive to the fullest extent permitted by law.

5.3 In the event Executive becomes a party, or is threatened to be made a party, to any action, suit or proceeding for which the Company has agreed to provide insurance coverage or indemnification under this Article V, the Company shall, to the fullest extent permitted under applicable law, advance all expenses (including the reasonable attorneys' fees, related fees and expenses, judgments, fines and amounts paid in settlement (collectively "Expenses") incurred by Executive in connection with the investigation, defense, settlement or appeal of any threatened, pending or completed action, suit or proceeding. Executive agrees to reimburse the Company for the amount of all of the expenses actually paid by the Company to or on behalf of Executive in the event the Company determines that Executive is not entitled to indemnification by the Company for such expenses. Executive also agrees to assign to the Company all rights of Executive to insurance proceeds under any policy of directors and officers liability insurance to the extent of the amount of the expenses actually paid by the Company to or on behalf of Executive.

5.4 Cooperation in Legal Matters. Executive will cooperate with the Company, during his/her employment and thereafter, with respect to any pending or threatened claim, action, suit, or proceeding, whether civil, criminal, administrative, or investigative (the "Claims"), by being reasonably available to testify on behalf of the Company, and to assist the Company by providing information, meeting and consulting with the Company or its representatives or counsel, as reasonably requested. In the event Executive is subpoenaed to testify or otherwise requested to provide information in any matter, including without limitation, any court action, administrative proceeding or government audit or investigation, relating to the Company, Executive agrees, unless otherwise required by law, that: (a) Executive will promptly notify the Company of any subpoena, summons or other request to testify or to provide information of any kind no later than three days after receipt of such subpoena, summons or request and, in any event, prior to the date set for Executive to provide such testimony or information; (b) Executive

will cooperate with the Company with respect to such subpoena, summons or request for information; (c) Executive will not voluntarily provide any testimony or information without permission of the Company; and (d) Executive will permit the Company to be represented by an attorney of the Company's choosing at any such testimony or with respect to any such information to be provided, and will follow the instructions of the attorney designated by the Company with respect to whether testimony or information is privileged by the attorney-client and/or work product privileges of the Company. The Company will reimburse Executive for all out-of-pocket expenses reasonably incurred by Executive in connection with Executive's provision of such testimony or assistance, and if Executive is no longer employed by the Company, Executive will be paid a reasonable hourly rate (such hourly rate to be no less than his most recent Base Salary under this Agreement divided by 2000) for his time spent providing such cooperation. If requested by Executive, the Company will provide counsel to Executive at the Company's expense. Notwithstanding any other provision of this Agreement, the provisions of this Article V shall survive the termination of Executive's employment and the termination of this Agreement.

ARTICLE VII

GENERAL PROVISIONS

6.1 Notices. All notices, demands, requests, consents, approvals or other communications (collectively "Notices") required or permitted to be given hereunder or which are given with respect to this Agreement shall be in writing and may be personally served or may be deposited in the United States mail, registered or certified, return receipt requested, postage prepaid, addressed as follows:

To the Company:

EMCORE Corporation
2015 Chestnut Street
Alhambra, CA 91803
Attn: Chief Administration Officer

To Executive:

Reuben F. Richards Jr.
2015 Chestnut Street
Alhambra, CA 91803

or such other address as such party shall have specified most recently by written notice. Notice mailed as provided herein shall be deemed given on the fifth business day following the date so mailed or on the date of actual receipt, whichever is earlier.

6.2 Covenant to Notify Management. Executive agrees to abide by the ethics policies of the Company as well as the Company's other rules, regulations, policies and procedures. Executive agrees to comply in full with all governmental laws and regulations as well as ethics codes applicable to the profession. In the event that Executive

is aware or suspects the Company, or any of its officers or agents, of violating any such laws, ethics codes, rules, regulations, policies or procedures, Executive agrees to bring all such actual and suspected violations to the attention of the Company immediately so that the matter may be properly investigated and appropriate action taken. Executive understands that he is precluded from filing a complaint with any governmental agency or court having jurisdiction over wrongful conduct unless Executive has first notified the Company of the facts and permitted it to investigate and correct the concerns.

6.3 No Waivers. No provision of this Agreement may be modified, waived or discharged unless such waiver, modification or discharge is agreed to in writing and signed by Executive and the Company. No waiver by either party hereto at any time of any breach by the other party hereto of, or compliance with, any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time.

6.4 Beneficial Interests. This Agreement shall inure to the benefit of and be enforceable by Executive's personal and legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees. If Executive should die while any amounts are still payable to him hereunder, all such amounts, unless otherwise provided herein, shall be paid in accordance with the terms of this Agreement to Executive's devisee, legatee, or other designee or, if there be no such designee, to Executive's estate.

6.5 Choice of Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California without giving effect to the principles of conflicts of law under California law. The Company and Executive agree to attempt to resolve any employment related dispute between them quickly and fairly, and in good faith. Should such a dispute remain unresolved, the Company and Executive irrevocably and unconditionally agree to submit to the exclusive jurisdiction of the courts of the State of California and of the United States located in Los Angeles, California over any suit, action or proceeding arising out of or relating to this Agreement. The Company and Executive irrevocably and unconditionally agree to personal jurisdiction and venue of any such suit, action or proceeding in the courts of the State of California or of the United States located in Los Angeles, California.

6.6 Statute of Limitations. Executive and the Company hereby agree that there shall be a one (1) year statute of limitations for the filing of any requests for arbitration or any lawsuit relating to this Agreement or the terms or conditions of Executive's employment by the Company. If such a claim is filed more than one (1) year subsequent to Executive's last day of employment it shall be precluded by this provision, regardless of whether or not the claim has accrued at that time.

6.7 Right to Injunctive and Equitable Relief. Executive's obligations under Article III are of a special and unique character, which gives them a peculiar value. The Company cannot be reasonably or adequately compensated for damages in an action at law in the event Executive breaches such obligations. Therefore, Executive expressly agrees that the Company shall be entitled to injunctive and other equitable relief without bond or other security in the event of such breach in addition to any other rights or remedies which the Company may possess or be entitled to pursue. Furthermore, the obligations of Executive and the rights and remedies of the Company under Article III are cumulative and in addition to, and not in lieu of, any obligations, rights, or remedies created by applicable law.

6.8 Enforceability; Severability or Partial Invalidity. It is the desire and intent of the parties that the provisions of this Employment Agreement shall be enforced to the fullest extent permissible. The invalidity or unenforceability of any provisions of this Agreement shall not affect the validity or enforceability of any other provision of this

Agreement, which shall remain in full force and effect. In the event that any one or more of the provisions of this Employment Agreement is held to be invalid or unenforceable, the remaining terms and provisions will be unimpaired, and the invalid or unenforceable term or provision will be deemed replaced by a term or provision that is valid and enforceable and that comes closest to expressing the intention of the invalid or unenforceable term or provision. Any prohibition or finding of unenforceability as to any provision of this Agreement in any one jurisdiction will not invalidate or render unenforceable such provision in any other jurisdiction.

6.9 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which taken together shall constitute but one and the same instrument.

6.10 Attorneys' Fees. In the event any action in law or equity, arbitration or other proceeding is brought for the enforcement of this Agreement or in connection with any of the provisions of this Agreement, the prevailing party shall be entitled to his or its attorneys' fees and other costs reasonably incurred in such action or proceeding.

6.11 Entire Agreement. This Agreement, along with the Confidential Information & Invention Assignment Agreement by and between Executive and the Company of even date herewith (the "Proprietary Information Agreement"), constitutes the entire agreement of the parties and supersedes all prior written or oral and all contemporaneous oral agreements, understandings, and negotiations between the parties with respect to the subject matter hereof. This Agreement, along with the Proprietary Information Agreement, is intended by the parties as the final expression of their agreement with respect to such terms as are included herein and therein and may not be contradicted by evidence of any prior or contemporaneous agreement. The parties further intend that this Agreement, along with the Proprietary Information Agreement, constitutes the complete and exclusive statement of their terms and that no extrinsic evidence may be introduced in any judicial proceeding involving such agreements. The language used in this Agreement shall be deemed to be the language chosen by the parties hereto to express their mutual intent, and no rule of strict construction shall be applied against any party.

6.12 Assignment. This Agreement and the rights, duties, and obligations hereunder may not be assigned or delegated by any party without the prior written consent of the other party, and any attempted assignment or delegation without such prior written consent shall be void and be of no effect; provided that, in the event of the death of Executive, all rights to receive payments hereunder shall become rights of Executive's estate. Notwithstanding the foregoing provisions of this Section 6.12, the Company may assign or delegate its rights, duties, and obligations hereunder to any affiliate or to any person or entity which succeeds to all or substantially all of the business of the Company through merger, consolidation, reorganization, or other business combination or by acquisition of all or substantially all of the assets of the Company. This Agreement shall be binding upon and inure to the benefit of Executive, his heirs, executors and administrators, and this Agreement shall be binding upon and inure to the benefit of the Company, its successors and permitted assigns.

6.13 Dispute Resolution.

Any controversy, dispute, claim or other matter in question arising out of or relating to the interpretation, performance or breach of this Agreement shall be governed by and interpreted in accordance with the laws of the State of California, without application of any conflict of laws provisions, and shall be enforceable in the courts of that state.

6.14 Taxes and Withholding. To the extent required or authorized to be withheld by law, the Company shall be

entitled to deduct or withhold from any amounts owing from the Company to Executive any federal, state, local or foreign withholding taxes, excise tax, or employment taxes imposed with respect to Executive's payments, benefits or compensation under this Agreement or under any other agreement. As a condition to any payment or distribution pursuant to this Agreement, the Company may require Executive to pay such sum to the Company as may be necessary to discharge its obligations with respect to any taxes, assessments or other governmental charges imposed on property or income received by Executive thereunder.

6.15 No Conflicting Obligations; Acknowledgement of Understanding and Review. Executive represents and warrants to the Company that Executive is not now under any legal restraint or obligation to any person, firm or corporation, other than the Company, that would prevent or make unlawful Executive's execution of this Agreement, and Executive further represents and warrants that Executive has no other interest which is inconsistent or in conflict with this Agreement, or which would prevent, limit, or impair, in any way, Executive's performance of any of the covenants or duties hereinabove set forth. Executive acknowledges that Executive has read and understands this Agreement, is entering into this Agreement knowingly and voluntarily, and that Executive had a reasonable period of time in which to consider this Agreement and to obtain advice from counsel of Executive's choosing.

6.16 Section 409A.

To the extent applicable, it is intended that the payments and benefits provided under this Agreement comply with the requirements of Section 409A of the Code, and this Agreement shall be interpreted in a manner consistent with this intent. Solely for purposes of determining the time and form of payments due under this Agreement or otherwise in connection with his termination of employment with the Company, Executive shall not be deemed to have incurred a termination of employment unless and until he shall incur a "separation from service" within the meaning of Section 409A of the Code.

It is intended that each payment or installment of a payment and each benefit provided under this Agreement shall be treated as a separate "payment" for purposes of Section 409A.

To the extent that the Company and Executive determine that any provision of this Agreement could reasonably be expected to result in Executive's being subject to the payment of interest or additional tax under Section 409A, the Company and Executive agree, to the extent reasonably possible as determined in good faith, to amend this Agreement, retroactively, if necessary, in order to avoid the imposition of any such interest or additional tax under Section 409A. All reimbursements and in-kind benefits provided under the Agreement shall be made or provided in accordance with the requirements of Section 409A to the extent that such reimbursements or in-kind benefits are subject to Section 409A, including, where applicable, the requirements that (i) any reimbursement is for expenses incurred during Executive's lifetime (or during a shorter period of time specified in this Agreement), (ii) the amount of expenses eligible for reimbursement during a calendar year may not affect the expenses eligible for reimbursement in any other calendar year (except that a plan providing medical or health benefits may impose a generally applicable limit on the amount that may be reimbursed or paid), (iii) the reimbursement of an eligible expense will be made on or before the last day of the calendar year following the year in which the expense is incurred and (iv) the right to reimbursement is not subject to set off or liquidation or exchange for any other benefit.

Notwithstanding any other provision in this Agreement, if as of Executive's separation from service, the Executive is a "specified employee" as determined by the Company, then to the extent any amount payable or benefit provided under this Agreement that the Company reasonably determines would be nonqualified deferred compensation

within the meaning of Section 409A of the Code, for which payment is triggered by Executive's separation from service (other than on account of death), and that under the terms of this Agreement would be payable prior to the six-month anniversary of the Executive's separation from service, such payment or benefit shall be delayed until the earlier to occur of (a) the six-month anniversary of such termination date or (b) the date of the Executive's death. In the case of taxable benefits that constitute deferred compensation, the Company, in lieu of a delay in payment, may require the Executive to pay the full costs of such benefits during the period described in the preceding sentence and reimburse that Executive for said costs within thirty (30) calendar days after the end of such period.

Nothing herein shall be construed as any guarantee by the Company of any particular tax treatment of any income or payments to Executive provided pursuant to this Agreement or other agreements or arrangements contemplated by this Agreement, and Executive remains solely responsible for all applicable taxes on such income and payments.

6.17 Section Headings. The section headings in this Agreement are for convenience only. They form no part of this Agreement and shall not affect its interpretation.

6.18 Third Party Beneficiaries. Nothing herein, expressed or implied, shall create or establish any third party beneficiary hereto nor confer upon any person not a party to this Agreement, any rights or remedies, including any right to employment or continued employment for any specified period, of any nature or kind whatsoever, under or by reason of this Agreement.

6.19 Continuing Obligations. Notwithstanding the termination of Executive's employment hereunder for any reason or anything in this Agreement to the contrary, all post-employment rights and obligations of the parties, including but not limited to those set forth in Articles III - V, and any provisions necessary to interpret or enforce those rights and obligations under any provision of this Agreement, will survive the termination or expiration of this Agreement and remain in full force and effect for the applicable periods.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

“COMPANY”

EMCORE Corporation

By: /s/ Monica D. Van Berkel

Monica D. Van Berkel

Chief Administration Officer

“EXECUTIVE”

By: /s/ Reuben F. Richards, Jr

Reuben F. Richards, Jr

EMPLOYMENT AGREEMENT

This Employment Agreement (“Agreement”) is dated effective as of August 2, 2011 (the “Effective Date”), between EMCORE Corporation, a New Jersey corporation (“the Company”), and Hong Q. Hou (“Executive”). In consideration of the mutual covenants and agreements set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I
EMPLOYMENT

The Company hereby employs Executive, and Executive accepts employment with the Company upon the terms and conditions herein set forth.

1.1 Employment. The Company hereby employs Executive, and Executive agrees to serve as the Company's President and Chief Executive Officer, reporting to the Executive Chairman, or in such other management position consistent with Executive's experience, expertise and reputation in the industry, as the Company shall determine. Executive agrees to devote Executive's full business time and attention and best efforts to the affairs of the Company during his/her employment. Executive shall perform his/her duties, responsibilities and functions to the Company hereunder to the best of his/her abilities in a diligent, trustworthy, professional and efficient manner. Executive shall be headquartered in Albuquerque, NM, but shall do such traveling as may be reasonably required of him/her in the performance of such duties. So long as Executive is employed by the Company, Executive shall not, without the prior written consent of the Compensation Committee (defined below), perform other services for compensation except that Executive may engage in charitable or civic activities so long as such activities do not materially interfere with the performance of Executive's duties and responsibilities hereunder. If an outside activity subsequently creates a conflict with the Company's business or prospective business, Executive agrees to cease engaging in such activity at such time. Executive will observe and adhere to all applicable written Company policies and procedures adopted from time to time, such as they now exist or hereafter are supplemented, amended, modified or restated.

1.2 At-Will Relationship. Executive's employment shall be “at-will” and may be terminated by Executive or the Company with or without cause and with or without prior notice (except as otherwise provided under Article IV), subject only to the severance obligations as described in this Agreement.

ARTICLE II
COMPENSATION

2.1 Annual Salary and Incentive Programs. During the employment of Executive, the Company shall pay to Executive an initial base salary at the annual rate of \$450,444.75, or an adjusted rate (the “Base Salary”)

determined by the Compensation Committee of the Board of Directors (the "Compensation Committee"), payable in regular installments in accordance with the Company's customary payroll practices (as in effect from time to time). The Company shall review Executive's Base Salary annually at the time of Executive's performance review discussed below and may, in its sole and absolute discretion, increase Executive's Base Salary in light of Executive's performance, inflation, cost of living, and other factors deemed relevant by the Company; however, Executive's Base Salary may not be decreased below the initial Base Salary without the Executive's prior consent. The Compensation Committee of the Company shall meet with Executive annually to review Executive's performance, objectives and compensation, including salary, bonus and stock options. If the Compensation Committee determines that any adjustments thereto are appropriate it shall direct the Chief Administration Officer to make such adjustments, as it deems appropriate, consistent with this Agreement.

2.2 Bonus. To be eligible to receive an award under any annual Company bonus or pay-for-performance plan, the Executive must be employed on the last day of the Company's fiscal year or the otherwise defined bonus/performance period. If the Executive's employment is terminated, except for Cause as defined below, after the end of a fiscal year but before the annual bonus or pay-for-performance payments are distributed, the Executive shall be entitled to the annual bonus or pay-for-performance payment attributable to Executive for the immediately preceding fiscal year, if any. The Company shall make this payment at the same time it pays all other employees in accordance with the Company's normal practices, but no later than March 15th of the applicable year.

2.3 Long-Term Incentive. Executive shall be eligible for equity awards under the Company's equity award plan covering senior executives, as in effect from time to time and as approved in the sole discretion by the Compensation Committee (the "Equity Awards").

2.4 Grant Agreements. Equity Awards will be governed by separate agreements, and in the event of any inconsistency between such separate agreements and the terms of this Agreement (including, but not limited to this Agreement's Section 4.6 covering vesting on termination), this Agreement shall govern and control. For avoidance of doubt, nothing in the preceding sentence shall be construed to limit the application of any provision of such separate agreements that expressly refers to and incorporates a provision of this Agreement.

2.5 Reimbursement of Expenses. Executive shall be entitled to receive prompt reimbursement of all reasonable and necessary expenses incurred by Executive in performing services hereunder, provided that such expenses are incurred and accounted for strictly in accordance with the policies and procedures established from time to time by the Company.

2.6 Benefits. Executive shall be entitled to participate in and be covered by health insurance, 401(k) and other employee plans and benefits currently or hereafter established for the employees of the Company generally (collectively referred to as the "Company Benefit Plans") on at least the same terms as other executive officers of the Company, subject to meeting applicable eligibility requirements. Executive understands that any such Company Benefit Plans may be terminated or amended from time to time by the Company in its discretion, and that participation and benefits under such Company Benefit Plans shall be determined in accordance with the applicable terms and provisions thereof.

2.7 Paid Time Off and Holidays. The Company does not currently limit Paid Time Off ("PTO") for its executives, and Executive shall be entitled to PTO in accordance with the Company's PTO policy in effect from time to time with respect to executives. The Company observes ten (10) paid holidays per calendar year. Nine (9) of the

Company-observed holidays are the same each year; one (1) “floating” holiday is determined by the Company annually.

ARTICLE III

CONFIDENTIALITY, NONDISCLOSURE, AND NONSOLICITATION

3.1 Confidentiality and Intellectual Property. The Executive is bound by the terms of the Confidential Information & Invention Assignment Agreement signed on or about the date of hire. Any reference to restrictive covenants or post-termination obligations under this Agreement shall include the obligations on Executive under such Confidential Information & Invention Assignment Agreement.

3.2 Prohibition on Solicitation of Customers and Employees. During Executive's employment with the Company and, in the event of Executive's termination of employment, for a period equal to two (2) years following such termination, Executive shall not, directly or indirectly, whether on behalf of himself or any other person or entity, (i) solicit any employee, agent, consultant or independent contractor of the Company to leave the employ, agency or services of the Company, or in any way interfere with the relationship between the Company and any such person, or (ii) call on, solicit or service any customer, supplier, licensee, licensor or other business relation of the Company in order to induce or attempt to induce such person to cease doing business with, or reduce the amount of business conducted with, the Company, or in any way interfere with the relationship between any such customer, supplier, licensee or business relation of the Company. However, Executive may solicit any employee, agent, consultant or independent contractor who voluntarily terminates his or her employment, agency or services with the Company; however, Executive may not make any such solicitation until a period of one-hundred eighty (180) days has elapsed following the termination date of such employee, agent, consultant or independent contractor (it being conclusively presumed by the parties so as to avoid any disputes under this Section 3.2 that any such hiring within such 180-day period is in violation of this Section 3.2). None of the foregoing shall be deemed a waiver of any and all rights and remedies the Company may have under applicable law.

3.3 Enforcement. It is the intent of the parties that the restrictive covenants contained in this Article III are severable and separate and the unenforceability of any individual provision shall not affect the enforceability of any other. If any covenant in this Article III is held to be unreasonable, arbitrary, or against public policy, such covenant will be considered to be divisible with respect to scope, time, and geographic area; and such lesser scope, time, or geographic area, or all of them, as a court of competent jurisdiction may determine to be reasonable, not arbitrary, and not against public policy, will be effective, binding and enforceable against the Executive. The restrictive covenants of this Article III shall survive this Agreement, and remain in full force and effect until the expiration of the period specified herein.

3.4 Remedy. If Executive breaches, or threatens to commit a breach of, any of the restrictive covenants, the Company shall have the following rights and remedies, each of which rights and remedies shall be independent of the others and severally enforceable, and each of which is in addition to, and not in lieu of, any other rights and remedies available to the Company at law or in equity: (i) the right and remedy to have the restrictive covenants specifically enforced by any court of competent jurisdiction (without posting a bond), it being agreed that any breach or threatened breach of the restrictive covenants would cause irreparable injury to the Company and that money damages would not provide an adequate remedy to the Company; and (ii) the right and remedy to require Executive or any applicable person or entity to account for and pay over to the Company any profits, monies, accruals, increments or other benefits derived or received by Executive or such person or entity as the result of any

transactions constituting a breach of the restrictive covenants. In the event of any breach by Executive of any of the restrictive covenants, the time period of such covenant with respect to Executive shall be tolled until such breach or violation is resolved.

3.5 Acknowledgement. Executive has consulted with legal counsel regarding the restrictive covenants contained in this Article III and based on such consultation has determined and hereby acknowledges that the restrictive covenants are reasonable in terms of duration, scope and area restrictions and are necessary to protect the goodwill of the Company. Executive acknowledges that the consideration that Executive will receive pursuant to this Agreement serves as sufficient consideration for Executive's promises to abide by the restrictive covenants set forth in this Article III.

ARTICLE IV TERMINATION

4.1 Definitions. For purposes of this Article IV, the following definitions in Sections 4.2-4.5 shall apply to the terms set forth below:

4.2 Cause. "Cause" means termination of employment resulting from a good faith determination by the Board of Directors or its delegate that:

- a) Executive has failed or repeatedly refused to follow policies or reasonable directives established by Executive's direct manager or the Board of Directors with the result that such performance has caused material damage to the Company, or Executive has failed or repeatedly refused to perform the material duties or obligations of his or her office (other than any such failure resulting from the person's inability due to physical or mental illness), which Executive has failed to correct within a reasonable period of time following the receipt of written notice of such failure by Executive; or
 - b) There has been an act by Executive involving wrongful misconduct which has a demonstrably adverse impact on or caused material damage to the Company, or which constitutes theft, fraud or a misappropriation of the assets of the Company; or
 - c) Executive has engaged in an intentional or reckless and unauthorized disclosure of confidential information, directly or indirectly, to persons outside the Company that materially adversely affects the Company; or
 - d) Executive, while employed by the Company, has performed services for another company or person which competes with the Company without the prior written approval of the Board of Directors or Executive's direct manager.
 - e) Conduct by Executive which in the good faith, reasonable determination of the Board of Directors
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demonstrates gross unfitness to serve including, but not limited to, gross neglect, non-prescription use of controlled substances, any abuse of controlled substances whether or not by prescription, or habitual drunkenness, intoxication, or other impaired state induced by consumption of any drug, including, without limitation, alcohol.

4.3 Change in Control. "Change in Control" shall mean the occurrence of any of the following:

- a) an acquisition in one transaction or a series of related transactions (other than directly from the Company or pursuant to options granted under any Company plan or other similar awards granted by the Company) of any voting securities by any individual, corporation, limited liability company, partnership, trust, or any other entity or any group (each a "Person"), immediately after which such Person has beneficial ownership of fifty percent (50%) or more of the combined voting power of the Company's then outstanding voting securities; or

- b) the individuals who, immediately prior to the effective date, are members of the Board (the "Incumbent Board"), cease for any reason to constitute at least a majority of the members of the Board; provided, however, that if the election, or nomination for election, by the Company's common stockholders, of any new director was approved by a vote of at least a majority of the Incumbent Board, such new director shall, be considered as a member of the Incumbent Board; provided further, however, that no individual shall be considered a member of the Incumbent Board if such individual initially assumed office as a result of either an actual or threatened "Election Contest" (as described in Rule 14a-11 promulgated under the Exchange Act) or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board (a "Proxy Contest"), including by reason of any agreement intended to avoid or settle any election contest or proxy contest; or

- c) the consummation of:
 - i. a merger, consolidation or reorganization involving the Company unless:
 - (1) the stockholders of the Company, immediately before such merger, consolidation or reorganization, own, directly or indirectly, immediately following such merger, consolidation or reorganization, more than fifty percent (50%) of the combined voting power of the outstanding voting securities of the corporation resulting from such merger or consolidation or reorganization (the "Surviving Corporation") in substantially the same proportion as their ownership of the voting securities immediately before such merger, consolidation or reorganization, and
 - (2) the individuals who were members of the Incumbent Board immediately prior to the execution of the agreement providing for such merger, consolidation or reorganization constitute at least a majority of the members of the Board of Directors of the Surviving Corporation, or a corporation beneficially owning, directly or indirectly, a majority of the voting securities of the Surviving Corporation, and

(3) no Person, other than (i) the Company, (ii) a any corporation or other Person of which a majority of its voting power or its voting equity securities or equity interest is owned, directly or indirectly, by the Company , (iii) any employee benefit plan (or any trust forming a part thereof) that, immediately prior to such merger, consolidation or reorganization, was maintained by the Company, the Surviving Corporation, or any Related Entity, or (iv) any Person who, together with its Affiliates, immediately prior to such merger, consolidation or reorganization had Beneficial Ownership of fifty percent (50%) or more of the then outstanding voting securities, owns, together with its Affiliates, beneficial ownership of fifty percent (50%) or more of the combined voting power of the Surviving Corporation's then outstanding voting securities (a transaction described in clauses (1) through (3) above is referred to herein as a “Non-Control Transaction”); or

ii) a complete liquidation or dissolution of the Company; or

iii) an agreement for the sale or other disposition of fifty percent (50%) or more of the assets or business of the Company to any Person (other than a transfer to a Related Entity or the distribution to the Company's stockholders of the stock of a Related Entity or any other assets). For the avoidance of doubt any sale or other disposition of a majority of the Company's fiber optics business or its photovoltaics business will be deemed a Change in Control.

Notwithstanding the foregoing, a Change in Control shall not be deemed to occur solely because any Person (the “Subject Person”) acquired beneficial ownership of fifty percent (50%) or more of the combined voting power of the then outstanding voting securities as a result of the acquisition of voting securities by the Company which, by reducing the number of voting securities then outstanding, increases the proportional number of shares Beneficially Owned by the Subject Persons, provided that if a Change in Control would occur (but for the operation of this sentence) as a result of the acquisition of voting securities by the Company, and (1) before such share acquisition by the Company the Subject Person becomes the beneficial owner of any new or additional voting securities in a related transaction, or (2) after such share acquisition by the Company the Subject Person becomes the beneficial owner of any new or additional voting securities which in either case increases the percentage of the then outstanding voting securities beneficially owned by the Subject Person, then a Change in Control shall be deemed to occur. (x) “Affiliate” shall mean, with respect to any Person, any other Person that, directly or indirectly, controls, is controlled by, or is under common control with, such Person; (y) any “Relative” (for this purpose, “Relative” means a spouse, child, parent, parent of spouse, sibling or grandchild) of an individual shall be deemed to be an Affiliate of such individual for this purpose; and (z) neither the Company nor any Person controlled by the Company shall be deemed to be an Affiliate of any holder of Common Stock.

4.4 Good Reason. “Good Reason” shall mean:

- a) Assignment of Executive without Executive's written consent to a position, responsibilities or duties of a materially lesser status or degree of responsibility than his or her position, responsibilities or duties as of the date of this Agreement; or
 - b) A requirement that Executive relocate, except for office relocations that would not increase the Executive's one-way commute by more than fifty (50) miles, or a requirement that Executive travel more than an average of two (2) days per week; or
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c) A reduction by the Company of Executive's Base Salary below the initial Base Salary or, following a Change in Control, below Executive's Base Salary at the time of the Change in Control, without Executive's consent; or

d) Any material breach by the Company of any provision of this Agreement without Executive having committed any material breach of Executive's obligations hereunder.

Notwithstanding the foregoing, the events listed in items (a) through (d), above, shall constitute "Good Reason" only where the Company is given notice and an opportunity to cure, as described in Section 4.6(b)(vi), below.

4.5 Severance Benefits. The term "Severance Benefits" refers to the benefits and payments set forth in Section 4.6 (excepting any payment of Executive's Base Salary through the Effective Date of such termination).

4.6 Severance Benefits Received Upon Termination.

a) If the Company terminates Executive's employment for Cause, or Executive terminates this Agreement without Good Reason, then the Company shall pay Executive's Base Salary through the Effective Date of such termination and the Company shall thereafter have no further obligations to Executive under this Agreement.

b) If Executive's employment is terminated by the Company without Cause, or if Executive's employment is terminated by Executive for Good Reason, then the Company shall pay Executive's Base Salary through the Effective Date of such termination and also provide Executive:

i. Continuation of Base Salary for a period equal to (a) one (1) year, plus (b) two (2) weeks, plus (c) two (2) additional weeks for each whole year Executive was employed by the Company (the "Severance Period"). All severance payments will be paid out over time and on the regular paydays of the Company, to the extent administratively feasible.

ii. In accordance with the Company's health plans, Executive will be eligible to exercise his or her rights to COBRA health insurance coverage for the Executive, and, where applicable, Executive's spouse and eligible dependents, at Executive's expense (subject to the following provision), upon termination of Executive's employment. To the extent Executive elects COBRA continuation coverage, the Company shall continue to pay the portion of Executive's COBRA premiums for the entire Severance Period up to a maximum of eighteen (18) months that the Company would have otherwise paid assuming Executive was an active employee during such time. Executive acknowledges that as a condition of the Company's payment of its portion of the COBRA premium, Executive will pay by check made payable to the Company the amount equal to Executive's portion of the COBRA premiums during the Severance Period. Nothing herein shall be construed as extending or delaying the start date of the COBRA coverage period for Executive. All

voluntary payroll deductions, including but not limited to 401(k), ESPP and term life, will cease effective on the employment separation date.

iii. The Company shall provide to Executive standard outplacement services at the expense of the Company from an established outplacement firm selected by the Company; provided, however, that the cost of the benefits shall be commensurate with the level of the Executive and, absent special circumstances, shall generally not exceed in total an amount equal to \$15,000 per Executive. In order to receive outplacement services, the Executive must begin utilizing the services within thirty (30) days following his or her date of termination, and any Company-provided outplacement service shall cease no later than 12 months following such termination date. The fees shall be paid directly to the outplacement firm and no part of this amount shall be paid to the Executive.

iv. Acceleration and immediate vesting of one hundred percent (100%) of Executive's Equity Awards (excepting such performance-based Equity Awards that would otherwise be disqualified as "performance-based" compensation under section 162(m) of the Code) which have not yet vested by Executive's date of termination, and such accelerated Equity Awards as well as any other Equity Awards which have vested and which are then exercisable, shall remain exercisable for a period of three (3) years following the employment separation date (but no later than the expiration of the term of the applicable Equity Award) and shall then expire and be of no further force or effect.

v. As a condition to Executive's right to receive the Severance Benefits provided for in this Section 4.6, Executive shall, upon termination of his/her employment, enter into a general release agreement in a form to be determined by the Company. Such release shall be executed and not revoked by Executive (or if applicable, Executive's estate or legal guardian) such that the release is effective and binding and non-revocable by the end of the 60-day period after Executive's termination of employment, and any amounts that would otherwise be payable and rights that would otherwise be effective during the 60-day period in the absence of the preceding release requirement shall be payable and effective on the 60th day after Executive's termination of employment. To the extent that the release is not executed or is revoked as provided herein, all payments, rights and benefits due to Executive under this Section 4.6 that are not otherwise required by law shall be forfeited. Executive's receipt of any payments or benefits under this Section 4.6 is also contingent upon Executive's compliance with all post-employment obligations under this Agreement, including but not limited to the restrictive covenants in Article III.

Notwithstanding the foregoing:

vi. To the extent that Executive's termination of employment from the Company is by Executive for Good Reason, the date of termination must occur within nine (9) months following the initial existence of the condition constituting the Good Reason (the "Condition"); Executive must give the Compensation Committee written notice of the Condition within a period of ninety (90) days of the initial existence of the Condition; and the Company must have a period of thirty (30) days from the date such written notice is provided to the Compensation Committee in which to remedy the Condition and avoid paying any Severance Benefits. If the Condition is not remedied during the thirty-day cure period, Executive shall then be entitled to provide written notice to the Compensation Committee of Executive's termination for Good Reason before the end of such nine-

month period.

c) If, within thirty-six (36) months of a Change in Control, Executive's employment is terminated by the Company or its successor in interest without Cause or by Executive for Good Reason, then the Company shall pay Executive's Base Salary through the Effective Date of such termination and also provide Executive the Severance Benefits described in Section 4.6(b)(i)-(v) above (subject to the execution of the release as provided in Section 4.6(vi)).

d) If Executive's employment is terminated as a result of death, then the Company shall pay Executive's Base Salary through the Effective Date of such termination and the Company shall provide Executive's spouse and dependent children health insurance coverage as then in effect for Executive, Executive's spouse and dependent children for a period of twelve (12) months, subject to the payment of any employee contribution, as required by the Company's health insurance plans covered by COBRA. Health insurance benefits subsequent to the initial twelve (12) month period will be in accordance with COBRA. Nothing herein shall be construed as extending or delaying the start date of the COBRA coverage period for Executive's spouse and dependent children. The Company shall thereafter have no further obligations under this Agreement.

4.7 Benefit Limit. In the event that any payment or benefit (including salary continuation payments, accelerated option vesting or continued health insurance coverage) received or to be received by Executive pursuant to this Agreement (or in connection with Executive's termination of employment or contingent upon a Change in Control of the Company pursuant to any plan or arrangement or other agreement with the Company (or any affiliate)) (collectively the "Payments") would constitute a parachute payment within the meaning of Section 280G of the Internal Revenue Code of 1986, as amended (the "Code"), then the following limitation shall apply:

The aggregate present value of those Payments shall be limited in amount to the greater of the following dollar amounts (the "Benefit Limit"):

- i. 2.99 times Executive's Average Compensation, or
- ii. the amount which yields Executive the greatest after-tax amount of Payments under this Agreement after taking into account any excise tax imposed under Code Section 4999 on those Payments.

The present value of the Payments will be measured as of the date of the Change in Control and determined in accordance with the provisions of Code Section 280G(d)(4).

Average Compensation shall have the meaning determined in accordance with the provisions of Code Section 280G.

4.8 Resolution Procedure. For purposes of the foregoing Benefit Limit, the following provisions will be in effect:

a) In the event there is any disagreement between Executive and the Company as to whether one or more Payments to which Executive becomes entitled under this Agreement constitute parachute payments under Code Section 280G or as to the determination of the present value thereof, such dispute will be resolved as follows:

i. In the event temporary, proposed or final Treasury Regulations in effect at the time under Code Section 280G (or applicable judicial decisions) specifically address the status of any such Payment or the method of valuation therefor, the characterization afforded to such Payment by the Regulations (or such decisions) will, together with the applicable valuation methodology, be controlling.

ii. In the event Treasury Regulations (or applicable judicial decisions) do not address the status of any Payment in dispute, the matter will be submitted for resolution to a nationally-recognized independent accounting firm mutually acceptable to Executive and the Company ("Independent Accountant"). The resolution reached by the Independent Accountant will be final and controlling; provided, however, that if in the judgment of the Independent Accountant the status of the payment in dispute can be resolved by means of obtaining a private letter ruling from the Internal Revenue Service, a formal and proper request for such ruling will be prepared and submitted, and the determination made by the Internal Revenue Service in the issued ruling will be controlling. All expenses incurred in connection with the retention of the Independent Accountant and (if applicable) the preparation and submission of the ruling request shall be borne by the Company.

4.9 Reduction of Benefits. To the extent the aggregate present value of the Payments would exceed the Benefit Limit, the salary continuation payments will first be reduced, and then the accelerated vesting of the Equity Awards (based on their parachute value under Code Section 280G) will be reduced, to the extent necessary, to assure that such Benefit Limit is not exceeded.

4.10 No Other Severance. Executive hereby acknowledges and agrees that, other than the Severance Benefits, upon the termination of Executive's employment, Executive shall not be entitled to any other severance under any Company benefit plan or severance policy generally available to the Company's employees or otherwise.

4.11 Post-Termination Benefits. Except as otherwise expressly provided herein, all of Executive's rights to salary, bonuses, employee benefits and other compensation hereunder which would have accrued or become payable after the termination of Executive's employment shall cease upon such termination, other than those specifically provided for under the Company Benefit Plans (subject to the provisions herein) or as otherwise expressly required under applicable law (such as COBRA).

4.12 Return of Property. In case of Executive's termination, Executive shall promptly return to the Company all property, of any nature whatsoever, that Executive may have received from the Company for use during his/her employment and all physical embodiments of the Confidential Information (as defined in the Confidential

Information & Invention Assignment Agreement) (regardless of form or medium) in the possession of or under the control of Executive.

4.13 No Mitigation. Executive shall not be required to seek employment or otherwise mitigate Executive's damages in order to be entitled to the benefits and payments to which Executive is entitled under this Agreement.

ARTICLE V

INDEMNIFICATION

5.1 During Executive's employment and thereafter throughout all applicable limitation periods, the Company shall provide Executive (including his heirs, personal representatives, executors and administrators) with such coverage as will be generally available to senior officers of the Company under the Company's then current Directors and Officers Liability Insurance Policy at the Company's sole expense.

5.2 In addition to the insurance coverage provided for in Section 5.1 above, the Company shall defend, hold harmless and indemnify Executive (and his heirs, personal representatives, executors and administrators) to the fullest extent permitted under applicable law, against all expenses and liabilities reasonably incurred by him in connection with or arising out of any action, suit or proceeding in which Executive may be involved by reason of his having been an officer, director or employee of the Company (whether or not he continues to be an officer, director or employee of the Company at the time such expenses or liabilities are incurred), such expenses and liabilities to include, but not be limited to, judgments, court costs, attorneys' fees and the cost of reasonable settlements. The Company shall maintain bylaws authorizing such indemnification of Executive to the fullest extent permitted by law.

5.3 In the event Executive becomes a party, or is threatened to be made a party, to any action, suit or proceeding for which the Company has agreed to provide insurance coverage or indemnification under this Article V, the Company shall, to the fullest extent permitted under applicable law, advance all expenses (including the reasonable attorneys' fees, related fees and expenses, judgments, fines and amounts paid in settlement (collectively "Expenses") incurred by Executive in connection with the investigation, defense, settlement or appeal of any threatened, pending or completed action, suit or proceeding. Executive agrees to reimburse the Company for the amount of all of the expenses actually paid by the Company to or on behalf of Executive in the event the Company determines that Executive is not entitled to indemnification by the Company for such expenses. Executive also agrees to assign to the Company all rights of Executive to insurance proceeds under any policy of directors and officers liability insurance to the extent of the amount of the expenses actually paid by the Company to or on behalf of Executive.

5.4 Cooperation in Legal Matters. Executive will cooperate with the Company, during his/her employment and thereafter, with respect to any pending or threatened claim, action, suit, or proceeding, whether civil, criminal, administrative, or investigative (the "Claims"), by being reasonably available to testify on behalf of the Company, and to assist the Company by providing information, meeting and consulting with the Company or its representatives or counsel, as reasonably requested. In the event Executive is subpoenaed to testify or otherwise requested to provide information in any matter, including without limitation, any court action, administrative proceeding or government audit or investigation, relating to the Company, Executive agrees, unless otherwise required by law, that: (a) Executive will promptly notify the Company of any subpoena, summons or other request to testify or to provide information of any kind no later than three days after receipt of such subpoena, summons or

request and, in any event, prior to the date set for Executive to provide such testimony or information; (b) Executive will cooperate with the Company with respect to such subpoena, summons or request for information; (c) Executive will not voluntarily provide any testimony or information without permission of the Company; and (d) Executive will permit the Company to be represented by an attorney of the Company's choosing at any such testimony or with respect to any such information to be provided, and will follow the instructions of the attorney designated by the Company with respect to whether testimony or information is privileged by the attorney-client and/or work product privileges of the Company. The Company will reimburse Executive for all out-of-pocket expenses reasonably incurred by Executive in connection with Executive's provision of such testimony or assistance, and if Executive is no longer employed by the Company, Executive will be paid a reasonable hourly rate (such hourly rate will be no less than his most recent Base Salary under this Agreement divided by 2000) for his time spent providing such cooperation. If requested by Executive, the Company will provide counsel to Executive at the Company's expense. Notwithstanding any other provision of this Agreement, the provisions of this Article V shall survive the termination of Executive's employment and the termination of this Agreement.

ARTICLE VII GENERAL PROVISIONS

6.1 Notices. All notices, demands, requests, consents, approvals or other communications (collectively "Notices") required or permitted to be given hereunder or which are given with respect to this Agreement shall be in writing and may be personally served or may be deposited in the United States mail, registered or certified, return receipt requested, postage prepaid, addressed as follows:

To the Company:

EMCORE Corporation
2015 Chestnut Street
Alhambra, CA 91803
Attn: Chief Administration Officer

To Executive:

Hong Q. Hou
1600 Eubank Blvd SE
Albuquerque, NM 87123

or such other address as such party shall have specified most recently by written notice. Notice mailed as provided herein shall be deemed given on the fifth business day following the date so mailed or on the date of actual receipt, whichever is earlier.

6.2 Covenant to Notify Management. Executive agrees to abide by the ethics policies of the Company as well as the Company's other rules, regulations, policies and procedures. Executive agrees to comply in full with all

governmental laws and regulations as well as ethics codes applicable to the profession. In the event that Executive is aware or suspects the Company, or any of its officers or agents, of violating any such laws, ethics codes, rules, regulations, policies or procedures, Executive agrees to bring all such actual and suspected violations to the attention of the Company immediately so that the matter may be properly investigated and appropriate action taken. Executive understands that he is precluded from filing a complaint with any governmental agency or court having jurisdiction over wrongful conduct unless Executive has first notified the Company of the facts and permitted it to investigate and correct the concerns.

6.3 No Waivers. No provision of this Agreement may be modified, waived or discharged unless such waiver, modification or discharge is agreed to in writing and signed by Executive and the Company. No waiver by either party hereto at any time of any breach by the other party hereto of, or compliance with, any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time.

6.4 Beneficial Interests. This Agreement shall inure to the benefit of and be enforceable by Executive's personal and legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees. If Executive should die while any amounts are still payable to him hereunder, all such amounts, unless otherwise provided herein, shall be paid in accordance with the terms of this Agreement to Executive's devisee, legatee, or other designee or, if there be no such designee, to Executive's estate.

6.5 Choice of Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California without giving effect to the principles of conflicts of law under California law. The Company and Executive agree to attempt to resolve any employment related dispute between them quickly and fairly, and in good faith. Should such a dispute remain unresolved, the Company and Executive irrevocably and unconditionally agree to submit to the exclusive jurisdiction of the courts of the State of California and of the United States located in Los Angeles, California over any suit, action or proceeding arising out of or relating to this Agreement. The Company and Executive irrevocably and unconditionally agree to personal jurisdiction and venue of any such suit, action or proceeding in the courts of the State of California or of the United States located in Los Angeles, California.

6.6 Statute of Limitations. Executive and the Company hereby agree that there shall be a one (1) year statute of limitations for the filing of any requests for arbitration or any lawsuit relating to this Agreement or the terms or conditions of Executive's employment by the Company. If such a claim is filed more than one (1) year subsequent to Executive's last day of employment it shall be precluded by this provision, regardless of whether or not the claim has accrued at that time.

6.7 Right to Injunctive and Equitable Relief. Executive's obligations under Article III are of a special and unique character, which gives them a peculiar value. The Company cannot be reasonably or adequately compensated for damages in an action at law in the event Executive breaches such obligations. Therefore, Executive expressly agrees that the Company shall be entitled to injunctive and other equitable relief without bond or other security in the event of such breach in addition to any other rights or remedies which the Company may possess or be entitled to pursue. Furthermore, the obligations of Executive and the rights and remedies of the Company under Article III are cumulative and in addition to, and not in lieu of, any obligations, rights, or remedies created by applicable law.

6.8 Enforceability; Severability or Partial Invalidity. It is the desire and intent of the parties that the provisions of this Employment Agreement shall be enforced to the fullest extent permissible. The invalidity or unenforceability

of any provisions of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect. In the event that any one or more of the provisions of this Employment Agreement is held to be invalid or unenforceable, the remaining terms and provisions will be unimpaired, and the invalid or unenforceable term or provision will be deemed replaced by a term or provision that is valid and enforceable and that comes closest to expressing the intention of the invalid or unenforceable term or provision. Any prohibition or finding of unenforceability as to any provision of this Agreement in any one jurisdiction will not invalidate or render unenforceable such provision in any other jurisdiction.

6.9 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which taken together shall constitute but one and the same instrument.

6.10 Attorneys' Fees. In the event any action in law or equity, arbitration or other proceeding is brought for the enforcement of this Agreement or in connection with any of the provisions of this Agreement, the prevailing party shall be entitled to his or its attorneys' fees and other costs reasonably incurred in such action or proceeding.

6.11 Entire Agreement. This Agreement, along with the Confidential Information & Invention Assignment Agreement by and between Executive and the Company of even date herewith (the "Proprietary Information Agreement"), constitutes the entire agreement of the parties and supersedes all prior written or oral and all contemporaneous oral agreements, understandings, and negotiations between the parties with respect to the subject matter hereof. This Agreement, along with the Proprietary Information Agreement, is intended by the parties as the final expression of their agreement with respect to such terms as are included herein and therein and may not be contradicted by evidence of any prior or contemporaneous agreement. The parties further intend that this Agreement, along with the Proprietary Information Agreement, constitutes the complete and exclusive statement of their terms and that no extrinsic evidence may be introduced in any judicial proceeding involving such agreements. The language used in this Agreement shall be deemed to be the language chosen by the parties hereto to express their mutual intent, and no rule of strict construction shall be applied against any party.

6.12 Assignment. This Agreement and the rights, duties, and obligations hereunder may not be assigned or delegated by any party without the prior written consent of the other party, and any attempted assignment or delegation without such prior written consent shall be void and be of no effect; provided that, in the event of the death of Executive, all rights to receive payments hereunder shall become rights of Executive's estate. Notwithstanding the foregoing provisions of this Section 6.12, the Company may assign or delegate its rights, duties, and obligations hereunder to any affiliate or to any person or entity which succeeds to all or substantially all of the business of the Company through merger, consolidation, reorganization, or other business combination or by acquisition of all or substantially all of the assets of the Company. This Agreement shall be binding upon and inure to the benefit of Executive, his heirs, executors and administrators, and this Agreement shall be binding upon and inure to the benefit of the Company, its successors and permitted assigns.

6.13 Dispute Resolution. Any controversy, dispute, claim or other matter in question arising out of or relating to the interpretation, performance or breach of this Agreement shall be governed by and interpreted in accordance with the laws of the State of California, without application of any conflict of laws provisions, and shall be enforceable in the courts of that state.

6.14 Taxes and Withholding. To the extent required or authorized to be withheld by law, the Company shall be entitled to deduct or withhold from any amounts owing from the Company to Executive any federal, state, local or

foreign withholding taxes, excise tax, or employment taxes imposed with respect to Executive's payments, benefits or compensation under this Agreement or under any other agreement. As a condition to any payment or distribution pursuant to this Agreement, the Company may require Executive to pay such sum to the Company as may be necessary to discharge its obligations with respect to any taxes, assessments or other governmental charges imposed on property or income received by Executive thereunder.

6.15 No Conflicting Obligations; Acknowledgement of Understanding and Review. Executive represents and warrants to the Company that Executive is not now under any legal restraint or obligation to any person, firm or corporation, other than the Company, that would prevent or make unlawful Executive's execution of this Agreement, and Executive further represents and warrants that Executive has no other interest which is inconsistent or in conflict with this Agreement, or which would prevent, limit, or impair, in any way, Executive's performance of any of the covenants or duties hereinabove set forth. Executive acknowledges that Executive has read and understands this Agreement, is entering into this Agreement knowingly and voluntarily, and that Executive had a reasonable period of time in which to consider this Agreement and to obtain advice from counsel of Executive's choosing.

6.16 Section 409A.

To the extent applicable, it is intended that the payments and benefits provided under this Agreement comply with the requirements of Section 409A of the Code, and this Agreement shall be interpreted in a manner consistent with this intent. Solely for purposes of determining the time and form of payments due under this Agreement or otherwise in connection with his termination of employment with the Company, Executive shall not be deemed to have incurred a termination of employment unless and until he shall incur a "separation from service" within the meaning of Section 409A of the Code.

It is intended that each payment or installment of a payment and each benefit provided under this Agreement shall be treated as a separate "payment" for purposes of Section 409A.

To the extent that the Company and Executive determine that any provision of this Agreement could reasonably be expected to result in Executive's being subject to the payment of interest or additional tax under Section 409A, the Company and Executive agree, to the extent reasonably possible as determined in good faith, to amend this Agreement, retroactively, if necessary, in order to avoid the imposition of any such interest or additional tax under Section 409A. All reimbursements and in-kind benefits provided under the Agreement shall be made or provided in accordance with the requirements of Section 409A to the extent that such reimbursements or in-kind benefits are subject to Section 409A, including, where applicable, the requirements that (i) any reimbursement is for expenses incurred during Executive's lifetime (or during a shorter period of time specified in this Agreement), (ii) the amount of expenses eligible for reimbursement during a calendar year may not affect the expenses eligible for reimbursement in any other calendar year (except that a plan providing medical or health benefits may impose a generally applicable limit on the amount that may be reimbursed or paid), (iii) the reimbursement of an eligible expense will be made on or before the last day of the calendar year following the year in which the expense is incurred and (iv) the right to reimbursement is not subject to set off or liquidation or exchange for any other benefit.

Notwithstanding any other provision in this Agreement, if as of Executive's separation from service, the Executive is a "specified employee" as determined by the Company, then to the extent any amount payable or benefit provided under this Agreement that the Company reasonably determines would be nonqualified deferred compensation

within the meaning of Section 409A of the Code, for which payment is triggered by Executive's separation from service (other than on account of death), and that under the terms of this Agreement would be payable prior to the six-month anniversary of the Executive's separation from service, such payment or benefit shall be delayed until the earlier to occur of (a) the six-month anniversary of such termination date or (b) the date of the Executive's death. In the case of taxable benefits that constitute deferred compensation, the Company, in lieu of a delay in payment, may require the Executive to pay the full costs of such benefits during the period described in the preceding sentence and reimburse that Executive for said costs within thirty (30) calendar days after the end of such period.

Nothing herein shall be construed as any guarantee by the Company of any particular tax treatment of any income or payments to Executive provided pursuant to this Agreement or other agreements or arrangements contemplated by this Agreement, and Executive remains solely responsible for all applicable taxes on such income and payments.

6.17 Section Headings. The section headings in this Agreement are for convenience only. They form no part of this Agreement and shall not affect its interpretation.

6.18 Third Party Beneficiaries. Nothing herein, expressed or implied, shall create or establish any third party beneficiary hereto nor confer upon any person not a party to this Agreement, any rights or remedies, including any right to employment or continued employment for any specified period, of any nature or kind whatsoever, under or by reason of this Agreement.

6.19 Continuing Obligations. Notwithstanding the termination of Executive's employment hereunder for any reason or anything in this Agreement to the contrary, all post-employment rights and obligations of the parties, including but not limited to those set forth in Articles III - V, and any provisions necessary to interpret or enforce those rights and obligations under any provision of this Agreement, will survive the termination or expiration of this Agreement and remain in full force and effect for the applicable periods.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

“COMPANY”

EMCORE Corporation

By: /s/ Monica D. Van Berkel

Monica D. Van Berkel

Chief Administration Officer

“EXECUTIVE”

By: /s/ Hong Q. Hou

Hong Q. Hou

EMPLOYMENT AGREEMENT

This Employment Agreement (“Agreement”) is dated effective as of August 2, 2011 (the “Effective Date”), between EMCORE Corporation, a New Jersey corporation (“the Company”), and Mark Weinswig (“Executive”). In consideration of the mutual covenants and agreements set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I
EMPLOYMENT

The Company hereby employs Executive, and Executive accepts employment with the Company upon the terms and conditions herein set forth.

1.1 Employment. The Company hereby employs Executive, and Executive agrees to serve as the Company's Chief Financial Officer, reporting to the Chief Executive Officer, or in such other management position consistent with Executive's experience, expertise and reputation in the industry, as the Company shall determine. Executive agrees to devote Executive's full business time and attention and best efforts to the affairs of the Company during his/her employment. Executive shall perform his/her duties, responsibilities and functions to the Company hereunder to the best of his/her abilities in a diligent, trustworthy, professional and efficient manner. Executive shall be headquartered in Albuquerque, NM, but shall do such traveling as may be reasonably required of him/her in the performance of such duties. So long as Executive is employed by the Company, Executive shall not, without the prior written consent of the Compensation Committee (defined below), perform other services for compensation except that Executive may engage in charitable or civic activities so long as such activities do not materially interfere with the performance of Executive's duties and responsibilities hereunder. If an outside activity subsequently creates a conflict with the Company's business or prospective business, Executive agrees to cease engaging in such activity at such time. Executive will observe and adhere to all applicable written Company policies and procedures adopted from time to time, such as they now exist or hereafter are supplemented, amended, modified or restated.

1.2 At-Will Relationship. Executive's employment shall be “at-will” and may be terminated by Executive or the Company with or without cause and with or without prior notice (except as otherwise provided under Article IV), subject only to the severance obligations as described in this Agreement.

ARTICLE II
COMPENSATION

2.1 Annual Salary and Incentive Programs. During the employment of Executive, the Company shall pay to Executive an initial base salary at the annual rate of \$260,000, or an adjusted rate (the “Base Salary”) determined

by the Compensation Committee of the Board of Directors (the "Compensation Committee"), payable in regular installments in accordance with the Company's customary payroll practices (as in effect from time to time). The Company shall review Executive's Base Salary annually at the time of Executive's performance review discussed below and may, in its sole and absolute discretion, increase Executive's Base Salary in light of Executive's performance, inflation, cost of living, and other factors deemed relevant by the Company; however, Executive's Base Salary may not be decreased below the initial Base Salary without the Executive's prior consent. The Chief Executive Officer of the Company shall meet with Executive annually to review Executive's performance, objectives and compensation, including salary, bonus and stock options; the Chief Executive Officer shall then meet with the Compensation Committee to discuss the same. If the Compensation Committee determines that any adjustments thereto are appropriate it shall direct the Chief Executive Officer to make such adjustments, as it deems appropriate, consistent with this Agreement.

2.2 Bonus. To be eligible to receive an award under any annual Company bonus or pay-for-performance plan, the Executive must be employed on the last day of the Company's fiscal year or the otherwise defined bonus/performance period. If the Executive's employment is terminated, except for Cause as defined below, after the end of a fiscal year but before the annual bonus or pay-for-performance payments are distributed, the Executive shall be entitled to the annual bonus or pay-for-performance payment attributable to Executive for the immediately preceding fiscal year, if any. The Company shall make this payment at the same time it pays all other employees in accordance with the Company's normal practices, but no later than March 15th of the applicable year.

2.3 Long-Term Incentive. Executive shall be eligible for equity awards under the Company's equity award plan covering senior executives, as in effect from time to time and as approved in the sole discretion by the Compensation Committee (the "Equity Awards").

2.4 Grant Agreements. Equity Awards will be governed by separate agreements, and in the event of any inconsistency between such separate agreements and the terms of this Agreement (including, but not limited to this Agreement's Section 4.6 covering vesting on termination), this Agreement shall govern and control. For avoidance of doubt, nothing in the preceding sentence shall be construed to limit the application of any provision of such separate agreements that expressly refers to and incorporates a provision of this Agreement.

2.5 Reimbursement of Expenses. Executive shall be entitled to receive prompt reimbursement of all reasonable and necessary expenses incurred by Executive in performing services hereunder, provided that such expenses are incurred and accounted for strictly in accordance with the policies and procedures established from time to time by the Company.

2.6 Benefits. Executive shall be entitled to participate in and be covered by health insurance, 401(k) and other employee plans and benefits currently or hereafter established for the employees of the Company generally (collectively referred to as the "Company Benefit Plans") on at least the same terms as other executive officers of the Company, subject to meeting applicable eligibility requirements. Executive understands that any such Company Benefit Plans may be terminated or amended from time to time by the Company in its discretion, and that participation and benefits under such Company Benefit Plans shall be determined in accordance with the applicable terms and provisions thereof.

2.7 Paid Time Off and Holidays. The Company does not currently limit Paid Time Off ("PTO") for its executives, and Executive shall be entitled to PTO in accordance with the Company's PTO policy in effect from time to time

with respect to executives. The Company observes ten (10) paid holidays per calendar year. Nine (9) of the Company-observed holidays are the same each year; one (1) "floating" holiday is determined by the Company annually.

ARTICLE III

CONFIDENTIALITY, NONDISCLOSURE, AND NONSOLICITATION

3.1 Confidentiality and Intellectual Property. The Executive is bound by the terms of the Confidential Information & Invention Assignment Agreement signed on or about the date of hire. Any reference to restrictive covenants or post-termination obligations under this Agreement shall include the obligations on Executive under such Confidential Information & Invention Assignment Agreement.

3.2 Prohibition on Solicitation of Customers and Employees. During Executive's employment with the Company and, in the event of Executive's termination of employment, for a period equal to two (2) years following such termination, Executive shall not, directly or indirectly, whether on behalf of himself or any other person or entity, (i) solicit any employee, agent, consultant or independent contractor of the Company to leave the employ, agency or services of the Company, or in any way interfere with the relationship between the Company and any such person, or (ii) call on, solicit or service any customer, supplier, licensee, licensor or other business relation of the Company in order to induce or attempt to induce such person to cease doing business with, or reduce the amount of business conducted with, the Company, or in any way interfere with the relationship between any such customer, supplier, licensee or business relation of the Company. However, Executive may solicit any employee, agent, consultant or independent contractor who voluntarily terminates his or her employment, agency or services with the Company; however, Executive may not make any such solicitation until a period of one-hundred eighty (180) days has elapsed following the termination date of such employee, agent, consultant or independent contractor (it being conclusively presumed by the parties so as to avoid any disputes under this Section 3.2 that any such hiring within such 180-day period is in violation of this Section 3.2). None of the foregoing shall be deemed a waiver of any and all rights and remedies the Company may have under applicable law.

3.3 Enforcement. It is the intent of the parties that the restrictive covenants contained in this Article III are severable and separate and the unenforceability of any individual provision shall not affect the enforceability of any other. If any covenant in this Article III is held to be unreasonable, arbitrary, or against public policy, such covenant will be considered to be divisible with respect to scope, time, and geographic area; and such lesser scope, time, or geographic area, or all of them, as a court of competent jurisdiction may determine to be reasonable, not arbitrary, and not against public policy, will be effective, binding and enforceable against the Executive. The restrictive covenants of this Article III shall survive this Agreement, and remain in full force and effect until the expiration of the period specified herein.

3.4 Remedy. If Executive breaches, or threatens to commit a breach of, any of the restrictive covenants, the Company shall have the following rights and remedies, each of which rights and remedies shall be independent of the others and severally enforceable, and each of which is in addition to, and not in lieu of, any other rights and remedies available to the Company at law or in equity: (i) the right and remedy to have the restrictive covenants specifically enforced by any court of competent jurisdiction (without posting a bond), it being agreed that any breach or threatened breach of the restrictive covenants would cause irreparable injury to the Company and that money damages would not provide an adequate remedy to the Company; and (ii) the right and remedy to require

Executive or any applicable person or entity to account for and pay over to the Company any profits, monies, accruals, increments or other benefits derived or received by Executive or such person or entity as the result of any transactions constituting a breach of the restrictive covenants. In the event of any breach by Executive of any of the restrictive covenants, the time period of such covenant with respect to Executive shall be tolled until such breach or violation is resolved.

3.5 Acknowledgement. Executive has consulted with legal counsel regarding the restrictive covenants contained in this Article III and based on such consultation has determined and hereby acknowledges that the restrictive covenants are reasonable in terms of duration, scope and area restrictions and are necessary to protect the goodwill of the Company. Executive acknowledges that the consideration that Executive will receive pursuant to this Agreement serves as sufficient consideration for Executive's promises to abide by the restrictive covenants set forth in this Article III.

ARTICLE IV

TERMINATION

4.1 Definitions. For purposes of this Article IV, the following definitions in Sections 4.2-4.5 shall apply to the terms set forth below:

4.2 Cause. "Cause" means termination of employment resulting from a good faith determination by the Board of Directors or its delegate that:

- a) Executive has failed or repeatedly refused to follow policies or reasonable directives established by Executive's direct manager or the Board of Directors with the result that such performance has caused material damage to the Company, or Executive has failed or repeatedly refused to perform the material duties or obligations of his or her office (other than any such failure resulting from the person's inability due to physical or mental illness), which Executive has failed to correct within a reasonable period of time following the receipt of written notice of such failure by Executive; or
 - b) There has been an act by Executive involving wrongful misconduct which has a demonstrably adverse impact on or caused material damage to the Company, or which constitutes theft, fraud or a misappropriation of the assets of the Company; or
 - c) Executive has engaged in an intentional or reckless and unauthorized disclosure of confidential information, directly or indirectly, to persons outside the Company that materially adversely affects the Company; or
 - d) Executive, while employed by the Company, has performed services for another company or person which competes with the Company without the prior written approval of the Board of Directors or Executive's direct manager.
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e) Conduct by Executive which in the good faith, reasonable determination of the Board of Directors demonstrates gross unfitness to serve including, but not limited to, gross neglect, non-prescription use of controlled substances, any abuse of controlled substances whether or not by prescription, or habitual drunkenness, intoxication, or other impaired state induced by consumption of any drug, including, without limitation, alcohol.

4.3 Change in Control. "Change in Control" shall mean the occurrence of any of the following:

- a) an acquisition in one transaction or a series of related transactions (other than directly from the Company or pursuant to options granted under any Company plan or other similar awards granted by the Company) of any voting securities by any individual, corporation, limited liability company, partnership, trust, or any other entity or any group (each a "Person"), immediately after which such Person has beneficial ownership of fifty percent (50%) or more of the combined voting power of the Company's then outstanding voting securities; or

- b) the individuals who, immediately prior to the effective date, are members of the Board (the "Incumbent Board"), cease for any reason to constitute at least a majority of the members of the Board; provided, however, that if the election, or nomination for election, by the Company's common stockholders, of any new director was approved by a vote of at least a majority of the Incumbent Board, such new director shall, be considered as a member of the Incumbent Board; provided further, however, that no individual shall be considered a member of the Incumbent Board if such individual initially assumed office as a result of either an actual or threatened "Election Contest" (as described in Rule 14a-11 promulgated under the Exchange Act) or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board (a "Proxy Contest"), including by reason of any agreement intended to avoid or settle any election contest or proxy contest; or

- c) the consummation of:
 - i. a merger, consolidation or reorganization involving the Company unless:
 - (1) the stockholders of the Company, immediately before such merger, consolidation or reorganization, own, directly or indirectly, immediately following such merger, consolidation or reorganization, more than fifty percent (50%) of the combined voting power of the outstanding voting securities of the corporation resulting from such merger or consolidation or reorganization (the "Surviving Corporation") in substantially the same proportion as their ownership of the voting securities immediately before such merger, consolidation or reorganization, and
 - (2) the individuals who were members of the Incumbent Board immediately prior to the execution of the agreement providing for such merger, consolidation or reorganization constitute at least a majority of the members of the Board of Directors of the Surviving Corporation, or a corporation beneficially owning, directly or indirectly, a majority of the voting securities of the Surviving Corporation, and

(3) no Person, other than (i) the Company, (ii) a any corporation or other Person of which a majority of its voting power or its voting equity securities or equity interest is owned, directly or indirectly, by the Company , (iii) any employee benefit plan (or any trust forming a part thereof) that, immediately prior to such merger, consolidation or reorganization, was maintained by the Company, the Surviving Corporation, or any Related Entity, or (iv) any Person who, together with its Affiliates, immediately prior to such merger, consolidation or reorganization had Beneficial Ownership of fifty percent (50%) or more of the then outstanding voting securities, owns, together with its Affiliates, beneficial ownership of fifty percent (50%) or more of the combined voting power of the Surviving Corporation's then outstanding voting securities (a transaction described in clauses (1) through (3) above is referred to herein as a "Non-Control Transaction"); or

ii) a complete liquidation or dissolution of the Company; or

iii) an agreement for the sale or other disposition of fifty percent (50%) or more of the assets or business of the Company to any Person (other than a transfer to a Related Entity or the distribution to the Company's stockholders of the stock of a Related Entity or any other assets). For the avoidance of doubt any sale or other disposition of a majority of the Company's fiber optics business or its photovoltaics business will be deemed a Change in Control.

Notwithstanding the foregoing, a Change in Control shall not be deemed to occur solely because any Person (the "Subject Person") acquired beneficial ownership of fifty percent (50%) or more of the combined voting power of the then outstanding voting securities as a result of the acquisition of voting securities by the Company which, by reducing the number of voting securities then outstanding, increases the proportional number of shares Beneficially Owned by the Subject Persons, provided that if a Change in Control would occur (but for the operation of this sentence) as a result of the acquisition of voting securities by the Company, and (1) before such share acquisition by the Company the Subject Person becomes the beneficial owner of any new or additional voting securities in a related transaction, or (2) after such share acquisition by the Company the Subject Person becomes the beneficial owner of any new or additional voting securities which in either case increases the percentage of the then outstanding voting securities beneficially owned by the Subject Person, then a Change in Control shall be deemed to occur. (x) "Affiliate" shall mean, with respect to any Person, any other Person that, directly or indirectly, controls, is controlled by, or is under common control with, such Person; (y) any "Relative" (for this purpose, "Relative" means a spouse, child, parent, parent of spouse, sibling or grandchild) of an individual shall be deemed to be an Affiliate of such individual for this purpose; and (z) neither the Company nor any Person controlled by the Company shall be deemed to be an Affiliate of any holder of Common Stock.

4.4 Good Reason. "Good Reason" shall mean:

- a) Assignment of Executive without Executive's written consent to a position, responsibilities or duties of a materially lesser status or degree of responsibility than his or her position, responsibilities or duties as of the date of this Agreement; or
 - b) A requirement that Executive relocate, except for office relocations that would not increase the Executive's one-way commute by more than fifty (50) miles, or a requirement that Executive travel more
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than an average of two (2) days per week; or

c) A reduction by the Company of Executive's Base Salary below the initial Base Salary or, following a Change in Control, below Executive's Base Salary at the time of the Change in Control, without Executive's consent; or

d) Any material breach by the Company of any provision of this Agreement without Executive having committed any material breach of Executive's obligations hereunder.

Notwithstanding the foregoing, the events listed in items (a) through (d), above, shall constitute "Good Reason" only where the Company is given notice and an opportunity to cure, as described in Section 4.6(b)(vi), below.

4.5 Severance Benefits. The term "Severance Benefits" refers to the benefits and payments set forth in Section 4.6 (excepting any payment of Executive's Base Salary through the Effective Date of such termination).

4.6 Severance Benefits Received Upon Termination.

a) If the Company terminates Executive's employment for Cause, or Executive terminates this Agreement without Good Reason, then the Company shall pay Executive's Base Salary through the Effective Date of such termination and the Company shall thereafter have no further obligations to Executive under this Agreement.

b) If Executive's employment is terminated by the Company without Cause, or if Executive's employment is terminated by Executive for Good Reason, then the Company shall pay Executive's Base Salary through the Effective Date of such termination and also provide Executive:

i. Continuation of Base Salary for a period equal to (a) one (1) year, plus (b) two (2) weeks, plus (c) two (2) additional weeks for each whole year Executive was employed by the Company (the "Severance Period"). All severance payments will be paid out over time and on the regular paydays of the Company, to the extent administratively feasible.

ii. In accordance with the Company's health plans, Executive will be eligible to exercise his or her rights to COBRA health insurance coverage for the Executive, and, where applicable, Executive's spouse and eligible dependents, at Executive's expense (subject to the following provision), upon termination of Executive's employment. To the extent Executive elects COBRA continuation coverage, the Company shall continue to pay the portion of Executive's COBRA premiums for the entire Severance Period up to a maximum of eighteen (18) months that the Company would have otherwise paid assuming Executive was an active employee during such time. Executive acknowledges that as a condition of the Company's payment of its portion of the

COBRA premium, Executive will pay by check made payable to the Company the amount equal to Executive's portion of the COBRA premiums during the Severance Period. Nothing herein shall be construed as extending or delaying the start date of the COBRA coverage period for Executive. All voluntary payroll deductions, including but not limited to 401(k), ESPP and term life, will cease effective on the employment separation date.

iii. The Company shall provide to Executive standard outplacement services at the expense of the Company from an established outplacement firm selected by the Company; provided, however, that the cost of the benefits shall be commensurate with the level of the Executive and, absent special circumstances, shall generally not exceed in total an amount equal to \$15,000 per Executive. In order to receive outplacement services, the Executive must begin utilizing the services within thirty (30) days following his or her date of termination, and any Company-provided outplacement service shall cease no later than 12 months following such termination date. The fees shall be paid directly to the outplacement firm and no part of this amount shall be paid to the Executive.

iv. Acceleration and immediate vesting of one hundred percent (100%) of Executive's Equity Awards (excepting such performance-based Equity Awards that would otherwise be disqualified as "performance-based" compensation under section 162(m) of the Code) which have not yet vested by Executive's date of termination, and such accelerated Equity Awards as well as any other Equity Awards which have vested and which are then exercisable, shall remain exercisable for a period of three (3) years following the employment separation date (but no later than the expiration of the term of the applicable Equity Award) and shall then expire and be of no further force or effect.

v. As a condition to Executive's right to receive the Severance Benefits provided for in this Section 4.6, Executive shall, upon termination of his/her employment, enter into a general release agreement in a form to be determined by the Company. Such release shall be executed and not revoked by Executive (or if applicable, Executive's estate or legal guardian) such that the release is effective and binding and non-revocable by the end of the 60-day period after Executive's termination of employment, and any amounts that would otherwise be payable and rights that would otherwise be effective during the 60-day period in the absence of the preceding release requirement shall be payable and effective on the 60th day after Executive's termination of employment. To the extent that the release is not executed or is revoked as provided herein, all payments, rights and benefits due to Executive under this Section 4.6 that are not otherwise required by law shall be forfeited. Executive's receipt of any payments or benefits under this Section 4.6 is also contingent upon Executive's compliance with all post-employment obligations under this Agreement, including but not limited to the restrictive covenants in Article III.

Notwithstanding the foregoing:

vi. To the extent that Executive's termination of employment from the Company is by Executive for Good Reason, the date of termination must occur within nine (9) months following the initial existence of the condition constituting the Good Reason (the "Condition"); Executive must give the Compensation Committee written notice of the Condition within a period of ninety (90) days of the initial existence of the Condition; and the Company must have a period of thirty (30) days from the date such written notice is provided to the Compensation Committee in which to

remedy the Condition and avoid paying any Severance Benefits. If the Condition is not remedied during the thirty-day cure period, Executive shall then be entitled to provide written notice to the Compensation Committee of Executive's termination for Good Reason before the end of such nine-month period.

c) If, within thirty-six (36) months of a Change in Control, Executive's employment is terminated by the Company or its successor in interest without Cause or by Executive for Good Reason, then the Company shall pay Executive's Base Salary through the Effective Date of such termination and also provide Executive the Severance Benefits described in Section 4.6(b)(i)-(v) above (subject to the execution of the release as provided in Section 4.6(vi)).

d) If Executive's employment is terminated as a result of death, then the Company shall pay Executive's Base Salary through the Effective Date of such termination and the Company shall provide Executive's spouse and dependent children health insurance coverage as then in effect for Executive, Executive's spouse and dependent children for a period of twelve (12) months, subject to the payment of any employee contribution, as required by the Company's health insurance plans covered by COBRA. Health insurance benefits subsequent to the initial twelve (12) month period will be in accordance with COBRA. Nothing herein shall be construed as extending or delaying the start date of the COBRA coverage period for Executive's spouse and dependent children. The Company shall thereafter have no further obligations under this Agreement.

4.7 Benefit Limit. In the event that any payment or benefit (including salary continuation payments, accelerated option vesting or continued health insurance coverage) received or to be received by Executive pursuant to this Agreement (or in connection with Executive's termination of employment or contingent upon a Change in Control of the Company pursuant to any plan or arrangement or other agreement with the Company (or any affiliate)) (collectively the "Payments") would constitute a parachute payment within the meaning of Section 280G of the Internal Revenue Code of 1986, as amended (the "Code"), then the following limitation shall apply:

The aggregate present value of those Payments shall be limited in amount to the greater of the following dollar amounts (the "Benefit Limit"):

- i. 2.99 times Executive's Average Compensation, or
- ii. the amount which yields Executive the greatest after-tax amount of Payments under this Agreement after taking into account any excise tax imposed under Code Section 4999 on those Payments.

The present value of the Payments will be measured as of the date of the Change in Control and determined in accordance with the provisions of Code Section 280G(d)(4).

Average Compensation shall have the meaning determined in accordance with the provisions of Code Section

280G.

4.8 Resolution Procedure. For purposes of the foregoing Benefit Limit, the following provisions will be in effect:

a) In the event there is any disagreement between Executive and the Company as to whether one or more Payments to which Executive becomes entitled under this Agreement constitute parachute payments under Code Section 280G or as to the determination of the present value thereof, such dispute will be resolved as follows:

i. In the event temporary, proposed or final Treasury Regulations in effect at the time under Code Section 280G (or applicable judicial decisions) specifically address the status of any such Payment or the method of valuation therefor, the characterization afforded to such Payment by the Regulations (or such decisions) will, together with the applicable valuation methodology, be controlling.

ii. In the event Treasury Regulations (or applicable judicial decisions) do not address the status of any Payment in dispute, the matter will be submitted for resolution to a nationally-recognized independent accounting firm mutually acceptable to Executive and the Company ("Independent Accountant"). The resolution reached by the Independent Accountant will be final and controlling; provided, however, that if in the judgment of the Independent Accountant the status of the payment in dispute can be resolved by means of obtaining a private letter ruling from the Internal Revenue Service, a formal and proper request for such ruling will be prepared and submitted, and the determination made by the Internal Revenue Service in the issued ruling will be controlling. All expenses incurred in connection with the retention of the Independent Accountant and (if applicable) the preparation and submission of the ruling request shall be borne by the Company.

4.9 Reduction of Benefits. To the extent the aggregate present value of the Payments would exceed the Benefit Limit, the salary continuation payments will first be reduced, and then the accelerated vesting of the Equity Awards (based on their parachute value under Code Section 280G) will be reduced, to the extent necessary, to assure that such Benefit Limit is not exceeded.

4.10 No Other Severance. Executive hereby acknowledges and agrees that, other than the Severance Benefits, upon the termination of Executive's employment, Executive shall not be entitled to any other severance under any Company benefit plan or severance policy generally available to the Company's employees or otherwise.

4.11 Post-Termination Benefits. Except as otherwise expressly provided herein, all of Executive's rights to salary, bonuses, employee benefits and other compensation hereunder which would have accrued or become payable after the termination of Executive's employment shall cease upon such termination, other than those specifically provided for under the Company Benefit Plans (subject to the provisions herein) or as otherwise expressly required under applicable law (such as COBRA).

4.12 Return of Property. In case of Executive's termination, Executive shall promptly return to the Company all

property, of any nature whatsoever, that Executive may have received from the Company for use during his/her employment and all physical embodiments of the Confidential Information (as defined in the Confidential Information & Invention Assignment Agreement) (regardless of form or medium) in the possession of or under the control of Executive.

4.13 No Mitigation. Executive shall not be required to seek employment or otherwise mitigate Executive's damages in order to be entitled to the benefits and payments to which Executive is entitled under this Agreement.

ARTICLE V INDEMNIFICATION

5.1 During Executive's employment and thereafter throughout all applicable limitation periods, the Company shall provide Executive (including his heirs, personal representatives, executors and administrators) with such coverage as will be generally available to senior officers of the Company under the Company's then current Directors and Officers Liability Insurance Policy at the Company's sole expense.

5.2 In addition to the insurance coverage provided for in Section 5.1 above, the Company shall defend, hold harmless and indemnify Executive (and his heirs, personal representatives, executors and administrators) to the fullest extent permitted under applicable law, against all expenses and liabilities reasonably incurred by him in connection with or arising out of any action, suit or proceeding in which Executive may be involved by reason of his having been an officer, director or employee of the Company (whether or not he continues to be an officer, director or employee of the Company at the time such expenses or liabilities are incurred), such expenses and liabilities to include, but not be limited to, judgments, court costs, attorneys' fees and the cost of reasonable settlements. The Company shall maintain bylaws authorizing such indemnification of Executive to the fullest extent permitted by law.

5.3 In the event Executive becomes a party, or is threatened to be made a party, to any action, suit or proceeding for which the Company has agreed to provide insurance coverage or indemnification under this Article V, the Company shall, to the fullest extent permitted under applicable law, advance all expenses (including the reasonable attorneys' fees, related fees and expenses, judgments, fines and amounts paid in settlement (collectively "Expenses") incurred by Executive in connection with the investigation, defense, settlement or appeal of any threatened, pending or completed action, suit or proceeding. Executive agrees to reimburse the Company for the amount of all of the expenses actually paid by the Company to or on behalf of Executive in the event the Company determines that Executive is not entitled to indemnification by the Company for such expenses. Executive also agrees to assign to the Company all rights of Executive to insurance proceeds under any policy of directors and officers liability insurance to the extent of the amount of the expenses actually paid by the Company to or on behalf of Executive.

5.4 Cooperation in Legal Matters. Executive will cooperate with the Company, during his/her employment and thereafter, with respect to any pending or threatened claim, action, suit, or proceeding, whether civil, criminal, administrative, or investigative (the "Claims"), by being reasonably available to testify on behalf of the Company, and to assist the Company by providing information, meeting and consulting with the Company or its representatives or counsel, as reasonably requested. In the event Executive is subpoenaed to testify or otherwise requested to provide information in any matter, including without limitation, any court action, administrative proceeding or government audit or investigation, relating to the Company, Executive agrees, unless otherwise

required by law, that: (a) Executive will promptly notify the Company of any subpoena, summons or other request to testify or to provide information of any kind no later than three days after receipt of such subpoena, summons or request and, in any event, prior to the date set for Executive to provide such testimony or information; (b) Executive will cooperate with the Company with respect to such subpoena, summons or request for information; (c) Executive will not voluntarily provide any testimony or information without permission of the Company; and (d) Executive will permit the Company to be represented by an attorney of the Company's choosing at any such testimony or with respect to any such information to be provided, and will follow the instructions of the attorney designated by the Company with respect to whether testimony or information is privileged by the attorney-client and/or work product privileges of the Company. The Company will reimburse Executive for all out-of-pocket expenses reasonably incurred by Executive in connection with Executive's provision of such testimony or assistance, and if Executive is no longer employed by the Company, Executive will be paid a reasonable hourly rate (such hourly rate to be no less than his most recent Base Salary under this Agreement divided by 2000) for his time spent providing such cooperation. If requested by Executive, the Company will provide counsel to Executive at the Company's expense. Notwithstanding any other provision of this Agreement, the provisions of this Article V shall survive the termination of Executive's employment and the termination of this Agreement.

ARTICLE VII
GENERAL PROVISIONS

6.1 Notices. All notices, demands, requests, consents, approvals or other communications (collectively "Notices") required or permitted to be given hereunder or which are given with respect to this Agreement shall be in writing and may be personally served or may be deposited in the United States mail, registered or certified, return receipt requested, postage prepaid, addressed as follows:

To the Company:

EMCORE Corporation
2015 Chestnut Street
Alhambra, CA 91803
Attn: Chief Administration Officer

To Executive:

Mark Weinswig
1600 Eubank Blvd SE
Albuquerque, NM 87123

or such other address as such party shall have specified most recently by written notice. Notice mailed as provided herein shall be deemed given on the fifth business day following the date so mailed or on the date of actual receipt, whichever is earlier.

6.2 Covenant to Notify Management. Executive agrees to abide by the ethics policies of the Company as well as the Company's other rules, regulations, policies and procedures. Executive agrees to comply in full with all governmental laws and regulations as well as ethics codes applicable to the profession. In the event that Executive is aware or suspects the Company, or any of its officers or agents, of violating any such laws, ethics codes, rules, regulations, policies or procedures, Executive agrees to bring all such actual and suspected violations to the attention of the Company immediately so that the matter may be properly investigated and appropriate action taken. Executive understands that he is precluded from filing a complaint with any governmental agency or court having jurisdiction over wrongful conduct unless Executive has first notified the Company of the facts and permitted it to investigate and correct the concerns.

6.3 No Waivers. No provision of this Agreement may be modified, waived or discharged unless such waiver, modification or discharge is agreed to in writing and signed by Executive and the Company. No waiver by either party hereto at any time of any breach by the other party hereto of, or compliance with, any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time.

6.4 Beneficial Interests. This Agreement shall inure to the benefit of and be enforceable by Executive's personal and legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees. If Executive should die while any amounts are still payable to him hereunder, all such amounts, unless otherwise provided herein, shall be paid in accordance with the terms of this Agreement to Executive's devisee, legatee, or other designee or, if there be no such designee, to Executive's estate.

6.5 Choice of Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California without giving effect to the principles of conflicts of law under California law. The Company and Executive agree to attempt to resolve any employment related dispute between them quickly and fairly, and in good faith. Should such a dispute remain unresolved, the Company and Executive irrevocably and unconditionally agree to submit to the exclusive jurisdiction of the courts of the State of California and of the United States located in Los Angeles, California over any suit, action or proceeding arising out of or relating to this Agreement. The Company and Executive irrevocably and unconditionally agree to personal jurisdiction and venue of any such suit, action or proceeding in the courts of the State of California or of the United States located in Los Angeles, California.

6.6 Statute of Limitations. Executive and the Company hereby agree that there shall be a one (1) year statute of limitations for the filing of any requests for arbitration or any lawsuit relating to this Agreement or the terms or conditions of Executive's employment by the Company. If such a claim is filed more than one (1) year subsequent to Executive's last day of employment it shall be precluded by this provision, regardless of whether or not the claim has accrued at that time.

6.7 Right to Injunctive and Equitable Relief. Executive's obligations under Article III are of a special and unique character, which gives them a peculiar value. The Company cannot be reasonably or adequately compensated for damages in an action at law in the event Executive breaches such obligations. Therefore, Executive expressly agrees that the Company shall be entitled to injunctive and other equitable relief without bond or other security in the event of such breach in addition to any other rights or remedies which the Company may possess or be entitled to pursue. Furthermore, the obligations of Executive and the rights and remedies of the Company under Article III are cumulative and in addition to, and not in lieu of, any obligations, rights, or remedies created by applicable law.

6.8 Enforceability; Severability or Partial Invalidity. It is the desire and intent of the parties that the provisions of this Employment Agreement shall be enforced to the fullest extent permissible. The invalidity or unenforceability of any provisions of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect. In the event that any one or more of the provisions of this Employment Agreement is held to be invalid or unenforceable, the remaining terms and provisions will be unimpaired, and the invalid or unenforceable term or provision will be deemed replaced by a term or provision that is valid and enforceable and that comes closest to expressing the intention of the invalid or unenforceable term or provision. Any prohibition or finding of unenforceability as to any provision of this Agreement in any one jurisdiction will not invalidate or render unenforceable such provision in any other jurisdiction.

6.9 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which taken together shall constitute but one and the same instrument.

6.10 Attorneys' Fees. In the event any action in law or equity, arbitration or other proceeding is brought for the enforcement of this Agreement or in connection with any of the provisions of this Agreement, the prevailing party shall be entitled to his or its attorneys' fees and other costs reasonably incurred in such action or proceeding.

6.11 Entire Agreement. This Agreement, along with the Confidential Information & Invention Assignment Agreement by and between Executive and the Company of even date herewith (the "Proprietary Information Agreement"), constitutes the entire agreement of the parties and supersedes all prior written or oral and all contemporaneous oral agreements, understandings, and negotiations between the parties with respect to the subject matter hereof. This Agreement, along with the Proprietary Information Agreement, is intended by the parties as the final expression of their agreement with respect to such terms as are included herein and therein and may not be contradicted by evidence of any prior or contemporaneous agreement. The parties further intend that this Agreement, along with the Proprietary Information Agreement, constitutes the complete and exclusive statement of their terms and that no extrinsic evidence may be introduced in any judicial proceeding involving such agreements. The language used in this Agreement shall be deemed to be the language chosen by the parties hereto to express their mutual intent, and no rule of strict construction shall be applied against any party.

6.12 Assignment. This Agreement and the rights, duties, and obligations hereunder may not be assigned or delegated by any party without the prior written consent of the other party, and any attempted assignment or delegation without such prior written consent shall be void and be of no effect; provided that, in the event of the death of Executive, all rights to receive payments hereunder shall become rights of Executive's estate. Notwithstanding the foregoing provisions of this Section 6.12, the Company may assign or delegate its rights, duties, and obligations hereunder to any affiliate or to any person or entity which succeeds to all or substantially all of the business of the Company through merger, consolidation, reorganization, or other business combination or by acquisition of all or substantially all of the assets of the Company. This Agreement shall be binding upon and inure to the benefit of Executive, his heirs, executors and administrators, and this Agreement shall be binding upon and inure to the benefit of the Company, its successors and permitted assigns.

6.13 Dispute Resolution. Any controversy, dispute, claim or other matter in question arising out of or relating to the interpretation, performance or breach of this Agreement shall be governed by and interpreted in accordance with the laws of the State of California, without application of any conflict of laws provisions, and shall be enforceable in the courts of that state.

6.14 Taxes and Withholding. To the extent required or authorized to be withheld by law, the Company shall be entitled to deduct or withhold from any amounts owing from the Company to Executive any federal, state, local or foreign withholding taxes, excise tax, or employment taxes imposed with respect to Executive's payments, benefits or compensation under this Agreement or under any other agreement. As a condition to any payment or distribution pursuant to this Agreement, the Company may require Executive to pay such sum to the Company as may be necessary to discharge its obligations with respect to any taxes, assessments or other governmental charges imposed on property or income received by Executive thereunder.

6.15 No Conflicting Obligations; Acknowledgement of Understanding and Review. Executive represents and warrants to the Company that Executive is not now under any legal restraint or obligation to any person, firm or corporation, other than the Company, that would prevent or make unlawful Executive's execution of this Agreement, and Executive further represents and warrants that Executive has no other interest which is inconsistent or in conflict with this Agreement, or which would prevent, limit, or impair, in any way, Executive's performance of any of the covenants or duties hereinabove set forth. Executive acknowledges that Executive has read and understands this Agreement, is entering into this Agreement knowingly and voluntarily, and that Executive had a reasonable period of time in which to consider this Agreement and to obtain advice from counsel of Executive's choosing.

6.16 Section 409A.

To the extent applicable, it is intended that the payments and benefits provided under this Agreement comply with the requirements of Section 409A of the Code, and this Agreement shall be interpreted in a manner consistent with this intent. Solely for purposes of determining the time and form of payments due under this Agreement or otherwise in connection with his termination of employment with the Company, Executive shall not be deemed to have incurred a termination of employment unless and until he shall incur a "separation from service" within the meaning of Section 409A of the Code.

It is intended that each payment or installment of a payment and each benefit provided under this Agreement shall be treated as a separate "payment" for purposes of Section 409A.

To the extent that the Company and Executive determine that any provision of this Agreement could reasonably be expected to result in Executive's being subject to the payment of interest or additional tax under Section 409A, the Company and Executive agree, to the extent reasonably possible as determined in good faith, to amend this Agreement, retroactively, if necessary, in order to avoid the imposition of any such interest or additional tax under Section 409A. All reimbursements and in-kind benefits provided under the Agreement shall be made or provided in accordance with the requirements of Section 409A to the extent that such reimbursements or in-kind benefits are subject to Section 409A, including, where applicable, the requirements that (i) any reimbursement is for expenses incurred during Executive's lifetime (or during a shorter period of time specified in this Agreement), (ii) the amount of expenses eligible for reimbursement during a calendar year may not affect the expenses eligible for reimbursement in any other calendar year (except that a plan providing medical or health benefits may impose a generally applicable limit on the amount that may be reimbursed or paid), (iii) the reimbursement of an eligible expense will be made on or before the last day of the calendar year following the year in which the expense is incurred and (iv) the right to reimbursement is not subject to set off or liquidation or exchange for any other benefit.

Notwithstanding any other provision in this Agreement, if as of Executive's separation from service, the Executive

is a "specified employee" as determined by the Company, then to the extent any amount payable or benefit provided under this Agreement that the Company reasonably determines would be nonqualified deferred compensation within the meaning of Section 409A of the Code, for which payment is triggered by Executive's separation from service (other than on account of death), and that under the terms of this Agreement would be payable prior to the six-month anniversary of the Executive's separation from service, such payment or benefit shall be delayed until the earlier to occur of (a) the six-month anniversary of such termination date or (b) the date of the Executive's death. In the case of taxable benefits that constitute deferred compensation, the Company, in lieu of a delay in payment, may require the Executive to pay the full costs of such benefits during the period described in the preceding sentence and reimburse that Executive for said costs within thirty (30) calendar days after the end of such period.

Nothing herein shall be construed as any guarantee by the Company of any particular tax treatment of any income or payments to Executive provided pursuant to this Agreement or other agreements or arrangements contemplated by this Agreement, and Executive remains solely responsible for all applicable taxes on such income and payments.

6.17 Section Headings. The section headings in this Agreement are for convenience only. They form no part of this Agreement and shall not affect its interpretation.

6.18 Third Party Beneficiaries. Nothing herein, expressed or implied, shall create or establish any third party beneficiary hereto nor confer upon any person not a party to this Agreement, any rights or remedies, including any right to employment or continued employment for any specified period, of any nature or kind whatsoever, under or by reason of this Agreement.

6.19 Continuing Obligations. Notwithstanding the termination of Executive's employment hereunder for any reason or anything in this Agreement to the contrary, all post-employment rights and obligations of the parties, including but not limited to those set forth in Articles III - V, and any provisions necessary to interpret or enforce those rights and obligations under any provision of this Agreement, will survive the termination or expiration of this Agreement and remain in full force and effect for the applicable periods.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

"COMPANY"

EMCORE Corporation

By: /s/ Monica D. Van Berkel

Monica D. Van Berkel

Chief Administration Officer

"EXECUTIVE"

By: /s/ Mark Weinswig

Mark Weinswig

EMPLOYMENT AGREEMENT

This Employment Agreement (“Agreement”) is dated effective as of August 2, 2011 (the “Effective Date”), between EMCORE Corporation, a New Jersey corporation (“the Company”), and Chris Larocca (“Executive”). In consideration of the mutual covenants and agreements set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I
EMPLOYMENT

The Company hereby employs Executive, and Executive accepts employment with the Company upon the terms and conditions herein set forth.

1.1 Employment. The Company hereby employs Executive, and Executive agrees to serve as the Company's Chief Operating Officer, reporting to the Chief Executive Officer, or in such other management position consistent with Executive's experience, expertise and reputation in the industry, as the Company shall determine. Executive agrees to devote Executive's full business time and attention and best efforts to the affairs of the Company during his/her employment. Executive shall perform his/her duties, responsibilities and functions to the Company hereunder to the best of his/her abilities in a diligent, trustworthy, professional and efficient manner. Executive shall be headquartered in Alhambra, CA, but shall do such traveling as may be reasonably required of him/her in the performance of such duties. So long as Executive is employed by the Company, Executive shall not, without the prior written consent of the Compensation Committee (defined below), perform other services for compensation except that Executive may engage in charitable or civic activities so long as such activities do not materially interfere with the performance of Executive's duties and responsibilities hereunder. If an outside activity subsequently creates a conflict with the Company's business or prospective business, Executive agrees to cease engaging in such activity at such time. Executive will observe and adhere to all applicable written Company policies and procedures adopted from time to time, such as they now exist or hereafter are supplemented, amended, modified or restated.

1.2 At-Will Relationship. Executive's employment shall be “at-will” and may be terminated by Executive or the Company with or without cause and with or without prior notice (except as otherwise provided under Article IV), subject only to the severance obligations as described in this Agreement.

ARTICLE II
COMPENSATION

2.1 Annual Salary and Incentive Programs. During the employment of Executive, the Company shall pay to Executive an initial base salary at the annual rate of \$260,000, or an adjusted rate (the “Base Salary”) determined by the Compensation Committee of the Board of Directors (the “Compensation Committee”), payable in regular installments in accordance with the Company's customary payroll practices (as in effect from time to time). The

Company shall review Executive's Base Salary annually at the time of Executive's performance review discussed below and may, in its sole and absolute discretion, increase Executive's Base Salary in light of Executive's performance, inflation, cost of living, and other factors deemed relevant by the Company; however, Executive's Base Salary may not be decreased below the initial Base Salary without the Executive's prior consent. The Chief Executive Officer of the Company shall meet with Executive annually to review Executive's performance, objectives and compensation, including salary, bonus and stock options; the Chief Executive Officer shall then meet with the Compensation Committee to discuss the same. If the Compensation Committee determines that any adjustments thereto are appropriate it shall direct the Chief Executive Officer to make such adjustments, as it deems appropriate, consistent with this Agreement.

2.2 Bonus. To be eligible to receive an award under any annual Company bonus or pay-for-performance plan, the Executive must be employed on the last day of the Company's fiscal year or the otherwise defined bonus/performance period. If the Executive's employment is terminated, except for Cause as defined below, after the end of a fiscal year but before the annual bonus or pay-for-performance payments are distributed, the Executive shall be entitled to the annual bonus or pay-for-performance payment attributable to Executive for the immediately preceding fiscal year, if any. The Company shall make this payment at the same time it pays all other employees in accordance with the Company's normal practices, but no later than March 15th of the applicable year.

2.3 Long-Term Incentive. Executive shall be eligible for equity awards under the Company's equity award plan covering senior executives, as in effect from time to time and as approved in the sole discretion by the Compensation Committee (the "Equity Awards").

2.4 Grant Agreements. Equity Awards will be governed by separate agreements, and in the event of any inconsistency between such separate agreements and the terms of this Agreement (including, but not limited to this Agreement's Section 4.6 covering vesting on termination), this Agreement shall govern and control. For avoidance of doubt, nothing in the preceding sentence shall be construed to limit the application of any provision of such separate agreements that expressly refers to and incorporates a provision of this Agreement.

2.5 Reimbursement of Expenses. Executive shall be entitled to receive prompt reimbursement of all reasonable and necessary expenses incurred by Executive in performing services hereunder, provided that such expenses are incurred and accounted for strictly in accordance with the policies and procedures established from time to time by the Company.

2.6 Benefits. Executive shall be entitled to participate in and be covered by health insurance, 401(k) and other employee plans and benefits currently or hereafter established for the employees of the Company generally (collectively referred to as the "Company Benefit Plans") on at least the same terms as other executive officers of the Company, subject to meeting applicable eligibility requirements. Executive understands that any such Company Benefit Plans may be terminated or amended from time to time by the Company in its discretion, and that participation and benefits under such Company Benefit Plans shall be determined in accordance with the applicable terms and provisions thereof.

2.7 Paid Time Off and Holidays. The Company does not currently limit Paid Time Off ("PTO") for its executives, and Executive shall be entitled to PTO in accordance with the Company's PTO policy in effect from time to time with respect to executives. The Company observes ten (10) paid holidays per calendar year. Nine (9) of the Company-observed holidays are the same each year; one (1) "floating" holiday is determined by the Company

annually.

ARTICLE III

CONFIDENTIALITY, NONDISCLOSURE, AND NONSOLICITATION

3.1 Confidentiality and Intellectual Property. The Executive is bound by the terms of the Confidential Information & Invention Assignment Agreement signed on or about the date of hire. Any reference to restrictive covenants or post-termination obligations under this Agreement shall include the obligations on Executive under such Confidential Information & Invention Assignment Agreement.

3.2 Prohibition on Solicitation of Customers and Employees. During Executive's employment with the Company and, in the event of Executive's termination of employment, for a period equal to two (2) years following such termination, Executive shall not, directly or indirectly, whether on behalf of himself or any other person or entity, (i) solicit any employee, agent, consultant or independent contractor of the Company to leave the employ, agency or services of the Company, or in any way interfere with the relationship between the Company and any such person, or (ii) call on, solicit or service any customer, supplier, licensee, licensor or other business relation of the Company in order to induce or attempt to induce such person to cease doing business with, or reduce the amount of business conducted with, the Company, or in any way interfere with the relationship between any such customer, supplier, licensee or business relation of the Company. However, Executive may solicit any employee, agent, consultant or independent contractor who voluntarily terminates his or her employment, agency or services with the Company; however, Executive may not make any such solicitation until a period of one-hundred eighty (180) days has elapsed following the termination date of such employee, agent, consultant or independent contractor (it being conclusively presumed by the parties so as to avoid any disputes under this Section 3.2 that any such hiring within such 180-day period is in violation of this Section 3.2). None of the foregoing shall be deemed a waiver of any and all rights and remedies the Company may have under applicable law.

3.3 Enforcement. It is the intent of the parties that the restrictive covenants contained in this Article III are severable and separate and the unenforceability of any individual provision shall not affect the enforceability of any other. If any covenant in this Article III is held to be unreasonable, arbitrary, or against public policy, such covenant will be considered to be divisible with respect to scope, time, and geographic area; and such lesser scope, time, or geographic area, or all of them, as a court of competent jurisdiction may determine to be reasonable, not arbitrary, and not against public policy, will be effective, binding and enforceable against the Executive. The restrictive covenants of this Article III shall survive this Agreement, and remain in full force and effect until the expiration of the period specified herein.

3.4 Remedy. If Executive breaches, or threatens to commit a breach of, any of the restrictive covenants, the Company shall have the following rights and remedies, each of which rights and remedies shall be independent of the others and severally enforceable, and each of which is in addition to, and not in lieu of, any other rights and remedies available to the Company at law or in equity: (i) the right and remedy to have the restrictive covenants specifically enforced by any court of competent jurisdiction (without posting a bond), it being agreed that any breach or threatened breach of the restrictive covenants would cause irreparable injury to the Company and that money damages would not provide an adequate remedy to the Company; and (ii) the right and remedy to require Executive or any applicable person or entity to account for and pay over to the Company any profits, monies, accruals, increments or other benefits derived or received by Executive or such person or entity as the result of any transactions constituting a breach of the restrictive covenants. In the event of any breach by Executive of any of the

restrictive covenants, the time period of such covenant with respect to Executive shall be tolled until such breach or violation is resolved.

3.5 Acknowledgement. Executive has consulted with legal counsel regarding the restrictive covenants contained in this Article III and based on such consultation has determined and hereby acknowledges that the restrictive covenants are reasonable in terms of duration, scope and area restrictions and are necessary to protect the goodwill of the Company. Executive acknowledges that the consideration that Executive will receive pursuant to this Agreement serves as sufficient consideration for Executive's promises to abide by the restrictive covenants set forth in this Article III.

ARTICLE IV TERMINATION

4.1 Definitions. For purposes of this Article IV, the following definitions in Sections 4.2-4.5 shall apply to the terms set forth below:

4.2 Cause. "Cause" means termination of employment resulting from a good faith determination by the Board of Directors or its delegate that:

- a) Executive has failed or repeatedly refused to follow policies or reasonable directives established by Executive's direct manager or the Board of Directors with the result that such performance has caused material damage to the Company, or Executive has failed or repeatedly refused to perform the material duties or obligations of his or her office (other than any such failure resulting from the person's inability due to physical or mental illness), which Executive has failed to correct within a reasonable period of time following the receipt of written notice of such failure by Executive; or
 - b) There has been an act by Executive involving wrongful misconduct which has a demonstrably adverse impact on or caused material damage to the Company, or which constitutes theft, fraud or a misappropriation of the assets of the Company; or
 - c) Executive has engaged in an intentional or reckless and unauthorized disclosure of confidential information, directly or indirectly, to persons outside the Company that materially adversely affects the Company; or
 - d) Executive, while employed by the Company, has performed services for another company or person which competes with the Company without the prior written approval of the Board of Directors or Executive's direct manager.
 - e) Conduct by Executive which in the good faith, reasonable determination of the Board of Directors demonstrates gross unfitness to serve including, but not limited to, gross neglect, non-prescription use of
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controlled substances, any abuse of controlled substances whether or not by prescription, or habitual drunkenness, intoxication, or other impaired state induced by consumption of any drug, including, without limitation, alcohol.

4.3 Change in Control. "Change in Control" shall mean the occurrence of any of the following:

- a) an acquisition in one transaction or a series of related transactions (other than directly from the Company or pursuant to options granted under any Company plan or other similar awards granted by the Company) of any voting securities by any individual, corporation, limited liability company, partnership, trust, or any other entity or any group (each a "Person"), immediately after which such Person has beneficial ownership of fifty percent (50%) or more of the combined voting power of the Company's then outstanding voting securities; or

- b) the individuals who, immediately prior to the effective date, are members of the Board (the "Incumbent Board"), cease for any reason to constitute at least a majority of the members of the Board; provided, however, that if the election, or nomination for election, by the Company's common stockholders, of any new director was approved by a vote of at least a majority of the Incumbent Board, such new director shall, be considered as a member of the Incumbent Board; provided further, however, that no individual shall be considered a member of the Incumbent Board if such individual initially assumed office as a result of either an actual or threatened "Election Contest" (as described in Rule 14a-11 promulgated under the Exchange Act) or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board (a "Proxy Contest"), including by reason of any agreement intended to avoid or settle any election contest or proxy contest; or

- c) the consummation of:
 - i. a merger, consolidation or reorganization involving the Company unless:
 - (1) the stockholders of the Company, immediately before such merger, consolidation or reorganization, own, directly or indirectly, immediately following such merger, consolidation or reorganization, more than fifty percent (50%) of the combined voting power of the outstanding voting securities of the corporation resulting from such merger or consolidation or reorganization (the "Surviving Corporation") in substantially the same proportion as their ownership of the voting securities immediately before such merger, consolidation or reorganization, and
 - (2) the individuals who were members of the Incumbent Board immediately prior to the execution of the agreement providing for such merger, consolidation or reorganization constitute at least a majority of the members of the Board of Directors of the Surviving Corporation, or a corporation beneficially owning, directly or indirectly, a majority of the voting securities of the Surviving Corporation, and
 - (3) no Person, other than (i) the Company, (ii) a any corporation or other Person of which a

majority of its voting power or its voting equity securities or equity interest is owned, directly or indirectly, by the Company, (iii) any employee benefit plan (or any trust forming a part thereof) that, immediately prior to such merger, consolidation or reorganization, was maintained by the Company, the Surviving Corporation, or any Related Entity, or (iv) any Person who, together with its Affiliates, immediately prior to such merger, consolidation or reorganization had Beneficial Ownership of fifty percent (50%) or more of the then outstanding voting securities, owns, together with its Affiliates, beneficial ownership of fifty percent (50%) or more of the combined voting power of the Surviving Corporation's then outstanding voting securities (a transaction described in clauses (1) through (3) above is referred to herein as a "Non-Control Transaction"); or

ii) a complete liquidation or dissolution of the Company; or

iii) an agreement for the sale or other disposition of fifty percent (50%) or more of the assets or business of the Company to any Person (other than a transfer to a Related Entity or the distribution to the Company's stockholders of the stock of a Related Entity or any other assets). For the avoidance of doubt any sale or other disposition of a majority of the Company's fiber optics business or its photovoltaics business will be deemed a Change in Control.

Notwithstanding the foregoing, a Change in Control shall not be deemed to occur solely because any Person (the "Subject Person") acquired beneficial ownership of fifty percent (50%) or more of the combined voting power of the then outstanding voting securities as a result of the acquisition of voting securities by the Company which, by reducing the number of voting securities then outstanding, increases the proportional number of shares Beneficially Owned by the Subject Persons, provided that if a Change in Control would occur (but for the operation of this sentence) as a result of the acquisition of voting securities by the Company, and (1) before such share acquisition by the Company the Subject Person becomes the beneficial owner of any new or additional voting securities in a related transaction, or (2) after such share acquisition by the Company the Subject Person becomes the beneficial owner of any new or additional voting securities which in either case increases the percentage of the then outstanding voting securities beneficially owned by the Subject Person, then a Change in Control shall be deemed to occur. (x) "Affiliate" shall mean, with respect to any Person, any other Person that, directly or indirectly, controls, is controlled by, or is under common control with, such Person; (y) any "Relative" (for this purpose, "Relative" means a spouse, child, parent, parent of spouse, sibling or grandchild) of an individual shall be deemed to be an Affiliate of such individual for this purpose; and (z) neither the Company nor any Person controlled by the Company shall be deemed to be an Affiliate of any holder of Common Stock.

4.4 Good Reason. "Good Reason" shall mean:

- a) Assignment of Executive without Executive's written consent to a position, responsibilities or duties of a materially lesser status or degree of responsibility than his or her position, responsibilities or duties as of the date of this Agreement; or
 - b) A requirement that Executive relocate, except for office relocations that would not increase the Executive's one-way commute by more than fifty (50) miles, or a requirement that Executive travel more than an average of two (2) days per week; or
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c) A reduction by the Company of Executive's Base Salary below the initial Base Salary or, following a Change in Control, below Executive's Base Salary at the time of the Change in Control, without Executive's consent; or

d) Any material breach by the Company of any provision of this Agreement without Executive having committed any material breach of Executive's obligations hereunder.

Notwithstanding the foregoing, the events listed in items (a) through (d), above, shall constitute "Good Reason" only where the Company is given notice and an opportunity to cure, as described in Section 4.6(b)(vi), below.

4.5 Severance Benefits. The term "Severance Benefits" refers to the benefits and payments set forth in Section 4.6 (excepting any payment of Executive's Base Salary through the Effective Date of such termination).

4.6 Severance Benefits Received Upon Termination.

a) If the Company terminates Executive's employment for Cause, or Executive terminates this Agreement without Good Reason, then the Company shall pay Executive's Base Salary through the Effective Date of such termination and the Company shall thereafter have no further obligations to Executive under this Agreement.

b) If Executive's employment is terminated by the Company without Cause, or if Executive's employment is terminated by Executive for Good Reason, then the Company shall pay Executive's Base Salary through the Effective Date of such termination and also provide Executive:

i. Continuation of Base Salary for a period equal to (a) one (1) year, plus (b) two (2) weeks, plus (c) two (2) additional weeks for each whole year Executive was employed by the Company (the "Severance Period"). All severance payments will be paid out over time and on the regular paydays of the Company, to the extent administratively feasible.

ii. In accordance with the Company's health plans, Executive will be eligible to exercise his or her rights to COBRA health insurance coverage for the Executive, and, where applicable, Executive's spouse and eligible dependents, at Executive's expense (subject to the following provision), upon termination of Executive's employment. To the extent Executive elects COBRA continuation coverage, the Company shall continue to pay the portion of Executive's COBRA premiums for the entire Severance Period up to a maximum of eighteen (18) months that the Company would have otherwise paid assuming Executive was an active employee during such time. Executive acknowledges that as a condition of the Company's payment of its portion of the COBRA premium, Executive will pay by check made payable to the Company the amount equal to Executive's portion of the COBRA premiums during the Severance Period. Nothing herein shall be construed as extending or delaying the start date of the COBRA coverage period for Executive. All

voluntary payroll deductions, including but not limited to 401(k), ESPP and term life, will cease effective on the employment separation date.

iii. The Company shall provide to Executive standard outplacement services at the expense of the Company from an established outplacement firm selected by the Company; provided, however, that the cost of the benefits shall be commensurate with the level of the Executive and, absent special circumstances, shall generally not exceed in total an amount equal to \$15,000 per Executive. In order to receive outplacement services, the Executive must begin utilizing the services within thirty (30) days following his or her date of termination, and any Company-provided outplacement service shall cease no later than 12 months following such termination date. The fees shall be paid directly to the outplacement firm and no part of this amount shall be paid to the Executive.

iv. Acceleration and immediate vesting of one hundred percent (100%) of Executive's Equity Awards (excepting such performance-based Equity Awards that would otherwise be disqualified as "performance-based" compensation under section 162(m) of the Code) which have not yet vested by Executive's date of termination, and such accelerated Equity Awards as well as any other Equity Awards which have vested and which are then exercisable, shall remain exercisable for a period of three (3) years following the employment separation date (but no later than the expiration of the term of the applicable Equity Award) and shall then expire and be of no further force or effect.

v. As a condition to Executive's right to receive the Severance Benefits provided for in this Section 4.6, Executive shall, upon termination of his/her employment, enter into a general release agreement in a form to be determined by the Company. Such release shall be executed and not revoked by Executive (or if applicable, Executive's estate or legal guardian) such that the release is effective and binding and non-revocable by the end of the 60-day period after Executive's termination of employment, and any amounts that would otherwise be payable and rights that would otherwise be effective during the 60-day period in the absence of the preceding release requirement shall be payable and effective on the 60th day after Executive's termination of employment. To the extent that the release is not executed or is revoked as provided herein, all payments, rights and benefits due to Executive under this Section 4.6 that are not otherwise required by law shall be forfeited. Executive's receipt of any payments or benefits under this Section 4.6 is also contingent upon Executive's compliance with all post-employment obligations under this Agreement, including but not limited to the restrictive covenants in Article III.

Notwithstanding the foregoing:

vi. To the extent that Executive's termination of employment from the Company is by Executive for Good Reason, the date of termination must occur within nine (9) months following the initial existence of the condition constituting the Good Reason (the "Condition"); Executive must give the Compensation Committee written notice of the Condition within a period of ninety (90) days of the initial existence of the Condition; and the Company must have a period of thirty (30) days from the date such written notice is provided to the Compensation Committee in which to remedy the Condition and avoid paying any Severance Benefits. If the Condition is not remedied during the thirty-day cure period, Executive shall then be entitled to provide written notice to the Compensation Committee of Executive's termination for Good Reason before the end of such nine-

month period.

c) If, within thirty-six (36) months of a Change in Control, Executive's employment is terminated by the Company or its successor in interest without Cause or by Executive for Good Reason, then the Company shall pay Executive's Base Salary through the Effective Date of such termination and also provide Executive the Severance Benefits described in Section 4.6(b)(i)-(v) above (subject to the execution of the release as provided in Section 4.6(vi)).

d) If Executive's employment is terminated as a result of death, then the Company shall pay Executive's Base Salary through the Effective Date of such termination and the Company shall provide Executive's spouse and dependent children health insurance coverage as then in effect for Executive, Executive's spouse and dependent children for a period of twelve (12) months, subject to the payment of any employee contribution, as required by the Company's health insurance plans covered by COBRA. Health insurance benefits subsequent to the initial twelve (12) month period will be in accordance with COBRA. Nothing herein shall be construed as extending or delaying the start date of the COBRA coverage period for Executive's spouse and dependent children. The Company shall thereafter have no further obligations under this Agreement.

4.7 Benefit Limit. In the event that any payment or benefit (including salary continuation payments, accelerated option vesting or continued health insurance coverage) received or to be received by Executive pursuant to this Agreement (or in connection with Executive's termination of employment or contingent upon a Change in Control of the Company pursuant to any plan or arrangement or other agreement with the Company (or any affiliate)) (collectively the "Payments") would constitute a parachute payment within the meaning of Section 280G of the Internal Revenue Code of 1986, as amended (the "Code"), then the following limitation shall apply:

The aggregate present value of those Payments shall be limited in amount to the greater of the following dollar amounts (the "Benefit Limit"):

- i. 2.99 times Executive's Average Compensation, or
- ii. the amount which yields Executive the greatest after-tax amount of Payments under this Agreement after taking into account any excise tax imposed under Code Section 4999 on those Payments.

The present value of the Payments will be measured as of the date of the Change in Control and determined in accordance with the provisions of Code Section 280G(d)(4).

Average Compensation shall have the meaning determined in accordance with the provisions of Code Section 280G.

4.8 Resolution Procedure. For purposes of the foregoing Benefit Limit, the following provisions will be in effect:

a) In the event there is any disagreement between Executive and the Company as to whether one or more Payments to which Executive becomes entitled under this Agreement constitute parachute payments under Code Section 280G or as to the determination of the present value thereof, such dispute will be resolved as follows:

i. In the event temporary, proposed or final Treasury Regulations in effect at the time under Code Section 280G (or applicable judicial decisions) specifically address the status of any such Payment or the method of valuation therefor, the characterization afforded to such Payment by the Regulations (or such decisions) will, together with the applicable valuation methodology, be controlling.

ii. In the event Treasury Regulations (or applicable judicial decisions) do not address the status of any Payment in dispute, the matter will be submitted for resolution to a nationally-recognized independent accounting firm mutually acceptable to Executive and the Company ("Independent Accountant"). The resolution reached by the Independent Accountant will be final and controlling; provided, however, that if in the judgment of the Independent Accountant the status of the payment in dispute can be resolved by means of obtaining a private letter ruling from the Internal Revenue Service, a formal and proper request for such ruling will be prepared and submitted, and the determination made by the Internal Revenue Service in the issued ruling will be controlling. All expenses incurred in connection with the retention of the Independent Accountant and (if applicable) the preparation and submission of the ruling request shall be borne by the Company.

4.9 Reduction of Benefits. To the extent the aggregate present value of the Payments would exceed the Benefit Limit, the salary continuation payments will first be reduced, and then the accelerated vesting of the Equity Awards (based on their parachute value under Code Section 280G) will be reduced, to the extent necessary, to assure that such Benefit Limit is not exceeded.

4.10 No Other Severance. Executive hereby acknowledges and agrees that, other than the Severance Benefits, upon the termination of Executive's employment, Executive shall not be entitled to any other severance under any Company benefit plan or severance policy generally available to the Company's employees or otherwise.

4.11 Post-Termination Benefits. Except as otherwise expressly provided herein, all of Executive's rights to salary, bonuses, employee benefits and other compensation hereunder which would have accrued or become payable after the termination of Executive's employment shall cease upon such termination, other than those specifically provided for under the Company Benefit Plans (subject to the provisions herein) or as otherwise expressly required under applicable law (such as COBRA).

4.12 Return of Property. In case of Executive's termination, Executive shall promptly return to the Company all property, of any nature whatsoever, that Executive may have received from the Company for use during his/her employment and all physical embodiments of the Confidential Information (as defined in the Confidential Information & Invention Assignment Agreement) (regardless of form or medium) in the possession of or under the

control of Executive.

4.13 No Mitigation. Executive shall not be required to seek employment or otherwise mitigate Executive's damages in order to be entitled to the benefits and payments to which Executive is entitled under this Agreement.

ARTICLE V
INDEMNIFICATION

5.1 During Executive's employment and thereafter throughout all applicable limitation periods, the Company shall provide Executive (including his heirs, personal representatives, executors and administrators) with such coverage as will be generally available to senior officers of the Company under the Company's then current Directors and Officers Liability Insurance Policy at the Company's sole expense.

5.2 In addition to the insurance coverage provided for in Section 5.1 above, the Company shall defend, hold harmless and indemnify Executive (and his heirs, personal representatives, executors and administrators) to the fullest extent permitted under applicable law, against all expenses and liabilities reasonably incurred by him in connection with or arising out of any action, suit or proceeding in which Executive may be involved by reason of his having been an officer, director or employee of the Company (whether or not he continues to be an officer, director or employee of the Company at the time such expenses or liabilities are incurred), such expenses and liabilities to include, but not be limited to, judgments, court costs, attorneys' fees and the cost of reasonable settlements. The Company shall maintain bylaws authorizing such indemnification of Executive to the fullest extent permitted by law.

5.3 In the event Executive becomes a party, or is threatened to be made a party, to any action, suit or proceeding for which the Company has agreed to provide insurance coverage or indemnification under this Article V, the Company shall, to the fullest extent permitted under applicable law, advance all expenses (including the reasonable attorneys' fees, related fees and expenses, judgments, fines and amounts paid in settlement (collectively "Expenses") incurred by Executive in connection with the investigation, defense, settlement or appeal of any threatened, pending or completed action, suit or proceeding. Executive agrees to reimburse the Company for the amount of all of the expenses actually paid by the Company to or on behalf of Executive in the event the Company determines that Executive is not entitled to indemnification by the Company for such expenses. Executive also agrees to assign to the Company all rights of Executive to insurance proceeds under any policy of directors and officers liability insurance to the extent of the amount of the expenses actually paid by the Company to or on behalf of Executive.

5.4 Cooperation in Legal Matters. Executive will cooperate with the Company, during his/her employment and thereafter, with respect to any pending or threatened claim, action, suit, or proceeding, whether civil, criminal, administrative, or investigative (the "Claims"), by being reasonably available to testify on behalf of the Company, and to assist the Company by providing information, meeting and consulting with the Company or its representatives or counsel, as reasonably requested. In the event Executive is subpoenaed to testify or otherwise requested to provide information in any matter, including without limitation, any court action, administrative proceeding or government audit or investigation, relating to the Company, Executive agrees, unless otherwise required by law, that: (a) Executive will promptly notify the Company of any subpoena, summons or other request to testify or to provide information of any kind no later than three days after receipt of such subpoena, summons or

request and, in any event, prior to the date set for Executive to provide such testimony or information; (b) Executive will cooperate with the Company with respect to such subpoena, summons or request for information; (c) Executive will not voluntarily provide any testimony or information without permission of the Company; and (d) Executive will permit the Company to be represented by an attorney of the Company's choosing at any such testimony or with respect to any such information to be provided, and will follow the instructions of the attorney designated by the Company with respect to whether testimony or information is privileged by the attorney-client and/or work product privileges of the Company. The Company will reimburse Executive for all out-of-pocket expenses reasonably incurred by Executive in connection with Executive's provision of such testimony or assistance, and if Executive is no longer employed by the Company, Executive will be paid a reasonable hourly rate (such hourly rate to be no less than his most recent Base Salary under this Agreement divided by 2000) for his time spent providing such cooperation. If requested by Executive, the Company will provide counsel to Executive at the Company's expense. Notwithstanding any other provision of this Agreement, the provisions of this Article V shall survive the termination of Executive's employment and the termination of this Agreement.

ARTICLE VII GENERAL PROVISIONS

6.1 Notices. All notices, demands, requests, consents, approvals or other communications (collectively "Notices") required or permitted to be given hereunder or which are given with respect to this Agreement shall be in writing and may be personally served or may be deposited in the United States mail, registered or certified, return receipt requested, postage prepaid, addressed as follows:

To the Company:

EMCORE Corporation
2015 Chestnut Street
Alhambra, CA 91803
Attn: Chief Administration Officer

To Executive:

Chris Larocca
2015 Chestnut Street
Alhambra, CA 91803

or such other address as such party shall have specified most recently by written notice. Notice mailed as provided herein shall be deemed given on the fifth business day following the date so mailed or on the date of actual receipt, whichever is earlier.

6.2 Covenant to Notify Management. Executive agrees to abide by the ethics policies of the Company as well as the Company's other rules, regulations, policies and procedures. Executive agrees to comply in full with all

governmental laws and regulations as well as ethics codes applicable to the profession. In the event that Executive is aware or suspects the Company, or any of its officers or agents, of violating any such laws, ethics codes, rules, regulations, policies or procedures, Executive agrees to bring all such actual and suspected violations to the attention of the Company immediately so that the matter may be properly investigated and appropriate action taken. Executive understands that he is precluded from filing a complaint with any governmental agency or court having jurisdiction over wrongful conduct unless Executive has first notified the Company of the facts and permitted it to investigate and correct the concerns.

6.3 No Waivers. No provision of this Agreement may be modified, waived or discharged unless such waiver, modification or discharge is agreed to in writing and signed by Executive and the Company. No waiver by either party hereto at any time of any breach by the other party hereto of, or compliance with, any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time.

6.4 Beneficial Interests. This Agreement shall inure to the benefit of and be enforceable by Executive's personal and legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees. If Executive should die while any amounts are still payable to him hereunder, all such amounts, unless otherwise provided herein, shall be paid in accordance with the terms of this Agreement to Executive's devisee, legatee, or other designee or, if there be no such designee, to Executive's estate.

6.5 Choice of Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California without giving effect to the principles of conflicts of law under California law. The Company and Executive agree to attempt to resolve any employment related dispute between them quickly and fairly, and in good faith. Should such a dispute remain unresolved, the Company and Executive irrevocably and unconditionally agree to submit to the exclusive jurisdiction of the courts of the State of California and of the United States located in Los Angeles, California over any suit, action or proceeding arising out of or relating to this Agreement. The Company and Executive irrevocably and unconditionally agree to personal jurisdiction and venue of any such suit, action or proceeding in the courts of the State of California or of the United States located in Los Angeles, California.

6.6 Statute of Limitations. Executive and the Company hereby agree that there shall be a one (1) year statute of limitations for the filing of any requests for arbitration or any lawsuit relating to this Agreement or the terms or conditions of Executive's employment by the Company. If such a claim is filed more than one (1) year subsequent to Executive's last day of employment it shall be precluded by this provision, regardless of whether or not the claim has accrued at that time.

6.7 Right to Injunctive and Equitable Relief. Executive's obligations under Article III are of a special and unique character, which gives them a peculiar value. The Company cannot be reasonably or adequately compensated for damages in an action at law in the event Executive breaches such obligations. Therefore, Executive expressly agrees that the Company shall be entitled to injunctive and other equitable relief without bond or other security in the event of such breach in addition to any other rights or remedies which the Company may possess or be entitled to pursue. Furthermore, the obligations of Executive and the rights and remedies of the Company under Article III are cumulative and in addition to, and not in lieu of, any obligations, rights, or remedies created by applicable law.

6.8 Enforceability; Severability or Partial Invalidity. It is the desire and intent of the parties that the provisions of this Employment Agreement shall be enforced to the fullest extent permissible. The invalidity or unenforceability

of any provisions of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect. In the event that any one or more of the provisions of this Employment Agreement is held to be invalid or unenforceable, the remaining terms and provisions will be unimpaired, and the invalid or unenforceable term or provision will be deemed replaced by a term or provision that is valid and enforceable and that comes closest to expressing the intention of the invalid or unenforceable term or provision. Any prohibition or finding of unenforceability as to any provision of this Agreement in any one jurisdiction will not invalidate or render unenforceable such provision in any other jurisdiction.

6.9 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which taken together shall constitute but one and the same instrument.

6.10 Attorneys' Fees. In the event any action in law or equity, arbitration or other proceeding is brought for the enforcement of this Agreement or in connection with any of the provisions of this Agreement, the prevailing party shall be entitled to his or its attorneys' fees and other costs reasonably incurred in such action or proceeding.

6.11 Entire Agreement. This Agreement, along with the Confidential Information & Invention Assignment Agreement by and between Executive and the Company of even date herewith (the "Proprietary Information Agreement"), constitutes the entire agreement of the parties and supersedes all prior written or oral and all contemporaneous oral agreements, understandings, and negotiations between the parties with respect to the subject matter hereof. This Agreement, along with the Proprietary Information Agreement, is intended by the parties as the final expression of their agreement with respect to such terms as are included herein and therein and may not be contradicted by evidence of any prior or contemporaneous agreement. The parties further intend that this Agreement, along with the Proprietary Information Agreement, constitutes the complete and exclusive statement of their terms and that no extrinsic evidence may be introduced in any judicial proceeding involving such agreements. The language used in this Agreement shall be deemed to be the language chosen by the parties hereto to express their mutual intent, and no rule of strict construction shall be applied against any party.

6.12 Assignment. This Agreement and the rights, duties, and obligations hereunder may not be assigned or delegated by any party without the prior written consent of the other party, and any attempted assignment or delegation without such prior written consent shall be void and be of no effect; provided that, in the event of the death of Executive, all rights to receive payments hereunder shall become rights of Executive's estate. Notwithstanding the foregoing provisions of this Section 6.12, the Company may assign or delegate its rights, duties, and obligations hereunder to any affiliate or to any person or entity which succeeds to all or substantially all of the business of the Company through merger, consolidation, reorganization, or other business combination or by acquisition of all or substantially all of the assets of the Company. This Agreement shall be binding upon and inure to the benefit of Executive, his heirs, executors and administrators, and this Agreement shall be binding upon and inure to the benefit of the Company, its successors and permitted assigns.

6.13 Dispute Resolution. Any controversy, dispute, claim or other matter in question arising out of or relating to the interpretation, performance or breach of this Agreement shall be governed by and interpreted in accordance with the laws of the State of California, without application of any conflict of laws provisions, and shall be enforceable in the courts of that state.

6.14 Taxes and Withholding. To the extent required or authorized to be withheld by law, the Company shall be entitled to deduct or withhold from any amounts owing from the Company to Executive any federal, state, local or

foreign withholding taxes, excise tax, or employment taxes imposed with respect to Executive's payments, benefits or compensation under this Agreement or under any other agreement. As a condition to any payment or distribution pursuant to this Agreement, the Company may require Executive to pay such sum to the Company as may be necessary to discharge its obligations with respect to any taxes, assessments or other governmental charges imposed on property or income received by Executive thereunder.

6.15 No Conflicting Obligations; Acknowledgement of Understanding and Review. Executive represents and warrants to the Company that Executive is not now under any legal restraint or obligation to any person, firm or corporation, other than the Company, that would prevent or make unlawful Executive's execution of this Agreement, and Executive further represents and warrants that Executive has no other interest which is inconsistent or in conflict with this Agreement, or which would prevent, limit, or impair, in any way, Executive's performance of any of the covenants or duties hereinabove set forth. Executive acknowledges that Executive has read and understands this Agreement, is entering into this Agreement knowingly and voluntarily, and that Executive had a reasonable period of time in which to consider this Agreement and to obtain advice from counsel of Executive's choosing.

6.16 Section 409A.

To the extent applicable, it is intended that the payments and benefits provided under this Agreement comply with the requirements of Section 409A of the Code, and this Agreement shall be interpreted in a manner consistent with this intent. Solely for purposes of determining the time and form of payments due under this Agreement or otherwise in connection with his termination of employment with the Company, Executive shall not be deemed to have incurred a termination of employment unless and until he shall incur a "separation from service" within the meaning of Section 409A of the Code.

It is intended that each payment or installment of a payment and each benefit provided under this Agreement shall be treated as a separate "payment" for purposes of Section 409A.

To the extent that the Company and Executive determine that any provision of this Agreement could reasonably be expected to result in Executive's being subject to the payment of interest or additional tax under Section 409A, the Company and Executive agree, to the extent reasonably possible as determined in good faith, to amend this Agreement, retroactively, if necessary, in order to avoid the imposition of any such interest or additional tax under Section 409A. All reimbursements and in-kind benefits provided under the Agreement shall be made or provided in accordance with the requirements of Section 409A to the extent that such reimbursements or in-kind benefits are subject to Section 409A, including, where applicable, the requirements that (i) any reimbursement is for expenses incurred during Executive's lifetime (or during a shorter period of time specified in this Agreement), (ii) the amount of expenses eligible for reimbursement during a calendar year may not affect the expenses eligible for reimbursement in any other calendar year (except that a plan providing medical or health benefits may impose a generally applicable limit on the amount that may be reimbursed or paid), (iii) the reimbursement of an eligible expense will be made on or before the last day of the calendar year following the year in which the expense is incurred and (iv) the right to reimbursement is not subject to set off or liquidation or exchange for any other benefit.

Notwithstanding any other provision in this Agreement, if as of Executive's separation from service, the Executive is a "specified employee" as determined by the Company, then to the extent any amount payable or benefit provided under this Agreement that the Company reasonably determines would be nonqualified deferred compensation

within the meaning of Section 409A of the Code, for which payment is triggered by Executive's separation from service (other than on account of death), and that under the terms of this Agreement would be payable prior to the six-month anniversary of the Executive's separation from service, such payment or benefit shall be delayed until the earlier to occur of (a) the six-month anniversary of such termination date or (b) the date of the Executive's death. In the case of taxable benefits that constitute deferred compensation, the Company, in lieu of a delay in payment, may require the Executive to pay the full costs of such benefits during the period described in the preceding sentence and reimburse that Executive for said costs within thirty (30) calendar days after the end of such period.

Nothing herein shall be construed as any guarantee by the Company of any particular tax treatment of any income or payments to Executive provided pursuant to this Agreement or other agreements or arrangements contemplated by this Agreement, and Executive remains solely responsible for all applicable taxes on such income and payments.

6.17 Section Headings. The section headings in this Agreement are for convenience only. They form no part of this Agreement and shall not affect its interpretation.

6.18 Third Party Beneficiaries. Nothing herein, expressed or implied, shall create or establish any third party beneficiary hereto nor confer upon any person not a party to this Agreement, any rights or remedies, including any right to employment or continued employment for any specified period, of any nature or kind whatsoever, under or by reason of this Agreement.

6.19 Continuing Obligations. Notwithstanding the termination of Executive's employment hereunder for any reason or anything in this Agreement to the contrary, all post-employment rights and obligations of the parties, including but not limited to those set forth in Articles III - V, and any provisions necessary to interpret or enforce those rights and obligations under any provision of this Agreement, will survive the termination or expiration of this Agreement and remain in full force and effect for the applicable periods.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

“COMPANY”

EMCORE Corporation

By: /s/ Monica D. Van Berkel

Monica D. Van Berkel

Chief Administration Officer

“EXECUTIVE”

By: /s/ Chris Larocca

Chris Larocca

EMPLOYMENT AGREEMENT

This Employment Agreement (“Agreement”) is dated effective as of August 2, 2011 (the “Effective Date”), between EMCORE Corporation, a New Jersey corporation (“the Company”), and Charlie Wang (“Executive”). In consideration of the mutual covenants and agreements set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I

EMPLOYMENT

The Company hereby employs Executive, and Executive accepts employment with the Company upon the terms and conditions herein set forth.

1.1 Employment. The Company hereby employs Executive, and Executive agrees to serve as the Company's EVP, China Operations, reporting to the Chief Executive Officer, or in such other management position consistent with Executive's experience, expertise and reputation in the industry, as the Company shall determine. Executive agrees to devote Executive's full business time and attention and best efforts to the affairs of the Company during his/her employment. Executive shall perform his/her duties, responsibilities and functions to the Company hereunder to the best of his/her abilities in a diligent, trustworthy, professional and efficient manner. Executive shall be headquartered in Albuquerque, NM but shall do such traveling as may be reasonably required of him/her in the performance of such duties. So long as Executive is employed by the Company, Executive shall not, without the prior written consent of the Compensation Committee (defined below), perform other services for compensation except that Executive may engage in charitable or civic activities so long as such activities do not materially interfere with the performance of Executive's duties and responsibilities hereunder. If an outside activity subsequently creates a conflict with the Company's business or prospective business, Executive agrees to cease engaging in such activity at such time. Executive will observe and adhere to all applicable written Company policies and procedures adopted from time to time, such as they now exist or hereafter are supplemented, amended, modified or restated.

1.2 At-Will Relationship. Executive's employment shall be “at-will” and may be terminated by Executive or the Company with or without cause and with or without prior notice (except as otherwise provided under Article IV), subject only to the severance obligations as described in this Agreement.

ARTICLE II

COMPENSATION

2.1 Annual Salary and Incentive Programs. During the employment of Executive, the Company shall pay to Executive an initial base salary at the annual rate of \$230,000, or an adjusted rate (the “Base Salary”) determined

by the Compensation Committee of the Board of Directors (the "Compensation Committee"), payable in regular installments in accordance with the Company's customary payroll practices (as in effect from time to time). The Company shall review Executive's Base Salary annually at the time of Executive's performance review discussed below and may, in its sole and absolute discretion, increase Executive's Base Salary in light of Executive's performance, inflation, cost of living, and other factors deemed relevant by the Company; however, Executive's Base Salary may not be decreased below the initial Base Salary without the Executive's prior consent. The Chief Executive Officer of the Company shall meet with Executive annually to review Executive's performance, objectives and compensation, including salary, bonus and stock options; the Chief Executive Officer shall then meet with the Compensation Committee to discuss the same. If the Compensation Committee determines that any adjustments thereto are appropriate it shall direct the Chief Executive Officer to make such adjustments, as it deems appropriate, consistent with this Agreement.

2.2 Bonus. To be eligible to receive an award under any annual Company bonus or pay-for-performance plan, the Executive must be employed on the last day of the Company's fiscal year or the otherwise defined bonus/performance period. If the Executive's employment is terminated, except for Cause as defined below, after the end of a fiscal year but before the annual bonus or pay-for-performance payments are distributed, the Executive shall be entitled to the annual bonus or pay-for-performance payment attributable to Executive for the immediately preceding fiscal year, if any. The Company shall make this payment at the same time it pays all other employees in accordance with the Company's normal practices, but no later than March 15th of the applicable year.

2.3 Long-Term Incentive. Executive shall be eligible for equity awards under the Company's equity award plan covering senior executives, as in effect from time to time and as approved in the sole discretion by the Compensation Committee (the "Equity Awards").

2.4 Grant Agreements. Equity Awards will be governed by separate agreements, and in the event of any inconsistency between such separate agreements and the terms of this Agreement (including, but not limited to this Agreement's Section 4.6 covering vesting on termination), this Agreement shall govern and control. For avoidance of doubt, nothing in the preceding sentence shall be construed to limit the application of any provision of such separate agreements that expressly refers to and incorporates a provision of this Agreement.

2.5 Reimbursement of Expenses. Executive shall be entitled to receive prompt reimbursement of all reasonable and necessary expenses incurred by Executive in performing services hereunder, provided that such expenses are incurred and accounted for strictly in accordance with the policies and procedures established from time to time by the Company.

2.6 Benefits. Executive shall be entitled to participate in and be covered by health insurance, 401(k) and other employee plans and benefits currently or hereafter established for the employees of the Company generally (collectively referred to as the "Company Benefit Plans") on at least the same terms as other executive officers of the Company, subject to meeting applicable eligibility requirements. Executive understands that any such Company Benefit Plans may be terminated or amended from time to time by the Company in its discretion, and that participation and benefits under such Company Benefit Plans shall be determined in accordance with the applicable terms and provisions thereof.

2.7 Paid Time Off and Holidays. The Company does not currently limit Paid Time Off ("PTO") for its executives, and Executive shall be entitled to PTO in accordance with the Company's PTO policy in effect from time to time

with respect to executives. The Company observes ten (10) paid holidays per calendar year. Nine (9) of the Company-observed holidays are the same each year; one (1) "floating" holiday is determined by the Company annually.

ARTICLE III

CONFIDENTIALITY, NONDISCLOSURE, AND NONSOLICITATION

3.1 Confidentiality and Intellectual Property. The Executive is bound by the terms of the Confidential Information & Invention Assignment Agreement signed on or about the date of hire. Any reference to restrictive covenants or post-termination obligations under this Agreement shall include the obligations on Executive under such Confidential Information & Invention Assignment Agreement.

3.2 Prohibition on Solicitation of Customers and Employees. During Executive's employment with the Company and, in the event of Executive's termination of employment, for a period equal to two (2) years following such termination, Executive shall not, directly or indirectly, whether on behalf of himself or any other person or entity, (i) solicit any employee, agent, consultant or independent contractor of the Company to leave the employ, agency or services of the Company, or in any way interfere with the relationship between the Company and any such person, or (ii) call on, solicit or service any customer, supplier, licensee, licensor or other business relation of the Company in order to induce or attempt to induce such person to cease doing business with, or reduce the amount of business conducted with, the Company, or in any way interfere with the relationship between any such customer, supplier, licensee or business relation of the Company. However, Executive may solicit any employee, agent, consultant or independent contractor who voluntarily terminates his or her employment, agency or services with the Company; however, Executive may not make any such solicitation until a period of one-hundred eighty (180) days has elapsed following the termination date of such employee, agent, consultant or independent contractor (it being conclusively presumed by the parties so as to avoid any disputes under this Section 3.2 that any such hiring within such 180-day period is in violation of this Section 3.2). None of the foregoing shall be deemed a waiver of any and all rights and remedies the Company may have under applicable law.

3.3 Enforcement. It is the intent of the parties that the restrictive covenants contained in this Article III are severable and separate and the unenforceability of any individual provision shall not affect the enforceability of any other. If any covenant in this Article III is held to be unreasonable, arbitrary, or against public policy, such covenant will be considered to be divisible with respect to scope, time, and geographic area; and such lesser scope, time, or geographic area, or all of them, as a court of competent jurisdiction may determine to be reasonable, not arbitrary, and not against public policy, will be effective, binding and enforceable against the Executive. The restrictive covenants of this Article III shall survive this Agreement, and remain in full force and effect until the expiration of the period specified herein.

3.4 Remedy. If Executive breaches, or threatens to commit a breach of, any of the restrictive covenants, the Company shall have the following rights and remedies, each of which rights and remedies shall be independent of the others and severally enforceable, and each of which is in addition to, and not in lieu of, any other rights and remedies available to the Company at law or in equity: (i) the right and remedy to have the restrictive covenants specifically enforced by any court of competent jurisdiction (without posting a bond), it being agreed that any breach or threatened breach of the restrictive covenants would cause irreparable injury to the Company and that money damages would not provide an adequate remedy to the Company; and (ii) the right and remedy to require Executive or any applicable person or entity to account for and pay over to the Company any profits, monies,

accruals, increments or other benefits derived or received by Executive or such person or entity as the result of any transactions constituting a breach of the restrictive covenants. In the event of any breach by Executive of any of the restrictive covenants, the time period of such covenant with respect to Executive shall be tolled until such breach or violation is resolved.

3.5 Acknowledgement. Executive has consulted with legal counsel regarding the restrictive covenants contained in this Article III and based on such consultation has determined and hereby acknowledges that the restrictive covenants are reasonable in terms of duration, scope and area restrictions and are necessary to protect the goodwill of the Company. Executive acknowledges that the consideration that Executive will receive pursuant to this Agreement serves as sufficient consideration for Executive's promises to abide by the restrictive covenants set forth in this Article III.

ARTICLE IV TERMINATION

4.1 Definitions. For purposes of this Article IV, the following definitions in Sections 4.2-4.5 shall apply to the terms set forth below:

4.2 Cause. "Cause" means termination of employment resulting from a good faith determination by the Board of Directors or its delegate that:

- a) Executive has failed or repeatedly refused to follow policies or reasonable directives established by Executive's direct manager or the Board of Directors with the result that such performance has caused material damage to the Company, or Executive has failed or repeatedly refused to perform the material duties or obligations of his or her office (other than any such failure resulting from the person's inability due to physical or mental illness), which Executive has failed to correct within a reasonable period of time following the receipt of written notice of such failure by Executive; or
 - b) There has been an act by Executive involving wrongful misconduct which has a demonstrably adverse impact on or caused material damage to the Company, or which constitutes theft, fraud or a misappropriation of the assets of the Company; or
 - c) Executive has engaged in an intentional or reckless and unauthorized disclosure of confidential information, directly or indirectly, to persons outside the Company that materially adversely affects the Company; or
 - d) Executive, while employed by the Company, has performed services for another company or person which competes with the Company without the prior written approval of the Board of Directors or Executive's direct manager.
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e) Conduct by Executive which in the good faith, reasonable determination of the Board of Directors demonstrates gross unfitness to serve including, but not limited to, gross neglect, non-prescription use of controlled substances, any abuse of controlled substances whether or not by prescription, or habitual drunkenness, intoxication, or other impaired state induced by consumption of any drug, including, without limitation, alcohol.

4.3 Change in Control. "Change in Control" shall mean the occurrence of any of the following:

- a) an acquisition in one transaction or a series of related transactions (other than directly from the Company or pursuant to options granted under any Company plan or other similar awards granted by the Company) of any voting securities by any individual, corporation, limited liability company, partnership, trust, or any other entity or any group (each a "Person"), immediately after which such Person has beneficial ownership of fifty percent (50%) or more of the combined voting power of the Company's then outstanding voting securities; or
- b) the individuals who, immediately prior to the effective date, are members of the Board (the "Incumbent Board"), cease for any reason to constitute at least a majority of the members of the Board; provided, however, that if the election, or nomination for election, by the Company's common stockholders, of any new director was approved by a vote of at least a majority of the Incumbent Board, such new director shall, be considered as a member of the Incumbent Board; provided further, however, that no individual shall be considered a member of the Incumbent Board if such individual initially assumed office as a result of either an actual or threatened "Election Contest" (as described in Rule 14a-11 promulgated under the Exchange Act) or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board (a "Proxy Contest"), including by reason of any agreement intended to avoid or settle any election contest or proxy contest; or
- c) the consummation of:
 - i. a merger, consolidation or reorganization involving the Company unless:
 - (1) the stockholders of the Company, immediately before such merger, consolidation or reorganization, own, directly or indirectly, immediately following such merger, consolidation or reorganization, more than fifty percent (50%) of the combined voting power of the outstanding voting securities of the corporation resulting from such merger or consolidation or reorganization (the "Surviving Corporation") in substantially the same proportion as their ownership of the voting securities immediately before such merger, consolidation or reorganization, and
 - (2) the individuals who were members of the Incumbent Board immediately prior to the execution of the agreement providing for such merger, consolidation or reorganization constitute at least a majority of the members of the Board of Directors of the Surviving Corporation, or a corporation beneficially owning, directly or indirectly, a majority of the voting securities of the Surviving Corporation, and

(3) no Person, other than (i) the Company, (ii) a any corporation or other Person of which a majority of its voting power or its voting equity securities or equity interest is owned, directly or indirectly, by the Company , (iii) any employee benefit plan (or any trust forming a part thereof) that, immediately prior to such merger, consolidation or reorganization, was maintained by the Company, the Surviving Corporation, or any Related Entity, or (iv) any Person who, together with its Affiliates, immediately prior to such merger, consolidation or reorganization had Beneficial Ownership of fifty percent (50%) or more of the then outstanding voting securities, owns, together with its Affiliates, beneficial ownership of fifty percent (50%) or more of the combined voting power of the Surviving Corporation's then outstanding voting securities (a transaction described in clauses (1) through (3) above is referred to herein as a “Non-Control Transaction”); or

ii) a complete liquidation or dissolution of the Company; or

iii) an agreement for the sale or other disposition of fifty percent (50%) or more of the assets or business of the Company to any Person (other than a transfer to a Related Entity or the distribution to the Company's stockholders of the stock of a Related Entity or any other assets). For the avoidance of doubt any sale or other disposition of a majority of the Company's fiber optics business or its photovoltaics business will be deemed a Change in Control.

Notwithstanding the foregoing, a Change in Control shall not be deemed to occur solely because any Person (the “Subject Person”) acquired beneficial ownership of fifty percent (50%) or more of the combined voting power of the then outstanding voting securities as a result of the acquisition of voting securities by the Company which, by reducing the number of voting securities then outstanding, increases the proportional number of shares Beneficially Owned by the Subject Persons, provided that if a Change in Control would occur (but for the operation of this sentence) as a result of the acquisition of voting securities by the Company, and (1) before such share acquisition by the Company the Subject Person becomes the beneficial owner of any new or additional voting securities in a related transaction, or (2) after such share acquisition by the Company the Subject Person becomes the beneficial owner of any new or additional voting securities which in either case increases the percentage of the then outstanding voting securities beneficially owned by the Subject Person, then a Change in Control shall be deemed to occur. (x) “Affiliate” shall mean, with respect to any Person, any other Person that, directly or indirectly, controls, is controlled by, or is under common control with, such Person; (y) any “Relative” (for this purpose, “Relative” means a spouse, child, parent, parent of spouse, sibling or grandchild) of an individual shall be deemed to be an Affiliate of such individual for this purpose; and (z) neither the Company nor any Person controlled by the Company shall be deemed to be an Affiliate of any holder of Common Stock.

4.4 Good Reason. “Good Reason” shall mean:

- a) Assignment of Executive without Executive's written consent to a position, responsibilities or duties of a materially lesser status or degree of responsibility than his or her position, responsibilities or duties as of the date of this Agreement; or
 - b) A requirement that Executive relocate, except for office relocations that would not increase the Executive's one-way commute by more than fifty (50) miles, or a requirement that Executive travel more than an average of two (2) days per week; or
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c) A reduction by the Company of Executive's Base Salary below the initial Base Salary or, following a Change in Control, below Executive's Base Salary at the time of the Change in Control, without Executive's consent; or

d) Any material breach by the Company of any provision of this Agreement without Executive having committed any material breach of Executive's obligations hereunder.

Notwithstanding the foregoing, the events listed in items (a) through (d), above, shall constitute "Good Reason" only where the Company is given notice and an opportunity to cure, as described in Section 4.6(b)(vi), below.

4.5 Severance Benefits. The term "Severance Benefits" refers to the benefits and payments set forth in Section 4.6 (excepting any payment of Executive's Base Salary through the Effective Date of such termination).

4.6 Severance Benefits Received Upon Termination.

a) If the Company terminates Executive's employment for Cause, or Executive terminates this Agreement without Good Reason, then the Company shall pay Executive's Base Salary through the Effective Date of such termination and the Company shall thereafter have no further obligations to Executive under this Agreement.

b) If Executive's employment is terminated by the Company without Cause, or if Executive's employment is terminated by Executive for Good Reason, then the Company shall pay Executive's Base Salary through the Effective Date of such termination and also provide Executive:

i. Continuation of Base Salary for a period equal to (a) one (1) year, plus (b) two (2) weeks, plus (c) two (2) additional weeks for each whole year Executive was employed by the Company (the "Severance Period"). All severance payments will be paid out over time and on the regular paydays of the Company, to the extent administratively feasible.

ii. In accordance with the Company's health plans, Executive will be eligible to exercise his or her rights to COBRA health insurance coverage for the Executive, and, where applicable, Executive's spouse and eligible dependents, at Executive's expense (subject to the following provision), upon termination of Executive's employment. To the extent Executive elects COBRA continuation coverage, the Company shall continue to pay the portion of Executive's COBRA premiums for the entire Severance Period up to a maximum of eighteen (18) months that the Company would have otherwise paid assuming Executive was an active employee during such time. Executive acknowledges that as a condition of the Company's payment of its portion of the COBRA premium, Executive will pay by check made payable to the Company the amount equal to Executive's portion of the COBRA premiums during the Severance Period. Nothing herein shall be construed as extending or delaying the start date of the COBRA coverage period for Executive. All

voluntary payroll deductions, including but not limited to 401(k), ESPP and term life, will cease effective on the employment separation date.

iii. The Company shall provide to Executive standard outplacement services at the expense of the Company from an established outplacement firm selected by the Company; provided, however, that the cost of the benefits shall be commensurate with the level of the Executive and, absent special circumstances, shall generally not exceed in total an amount equal to \$15,000 per Executive. In order to receive outplacement services, the Executive must begin utilizing the services within thirty (30) days following his or her date of termination, and any Company-provided outplacement service shall cease no later than 12 months following such termination date. The fees shall be paid directly to the outplacement firm and no part of this amount shall be paid to the Executive.

iv. Acceleration and immediate vesting of one hundred percent (100%) of Executive's Equity Awards (excepting such performance-based Equity Awards that would otherwise be disqualified as "performance-based" compensation under section 162(m) of the Code) which have not yet vested by Executive's date of termination, and such accelerated Equity Awards as well as any other Equity Awards which have vested and which are then exercisable, shall remain exercisable for a period of three (3) years following the employment separation date (but no later than the expiration of the term of the applicable Equity Award) and shall then expire and be of no further force or effect.

v. As a condition to Executive's right to receive the Severance Benefits provided for in this Section 4.6, Executive shall, upon termination of his/her employment, enter into a general release agreement in a form to be determined by the Company. Such release shall be executed and not revoked by Executive (or if applicable, Executive's estate or legal guardian) such that the release is effective and binding and non-revocable by the end of the 60-day period after Executive's termination of employment, and any amounts that would otherwise be payable and rights that would otherwise be effective during the 60-day period in the absence of the preceding release requirement shall be payable and effective on the 60th day after Executive's termination of employment. To the extent that the release is not executed or is revoked as provided herein, all payments, rights and benefits due to Executive under this Section 4.6 that are not otherwise required by law shall be forfeited. Executive's receipt of any payments or benefits under this Section 4.6 is also contingent upon Executive's compliance with all post-employment obligations under this Agreement, including but not limited to the restrictive covenants in Article III.

Notwithstanding the foregoing:

vi. To the extent that Executive's termination of employment from the Company is by Executive for Good Reason, the date of termination must occur within nine (9) months following the initial existence of the condition constituting the Good Reason (the "Condition"); Executive must give the Compensation Committee written notice of the Condition within a period of ninety (90) days of the initial existence of the Condition; and the Company must have a period of thirty (30) days from the date such written notice is provided to the Compensation Committee in which to remedy the Condition and avoid paying any Severance Benefits. If the Condition is not remedied during the thirty-day cure period, Executive shall then be entitled to provide written notice to the Compensation Committee of Executive's termination for Good Reason before the end of such nine-

month period.

c) If, within thirty-six (36) months of a Change in Control, Executive's employment is terminated by the Company or its successor in interest without Cause or by Executive for Good Reason, then the Company shall pay Executive's Base Salary through the Effective Date of such termination and also provide Executive the Severance Benefits described in Section 4.6(b)(i)-(v) above (subject to the execution of the release as provided in Section 4.6(vi)).

d) If Executive's employment is terminated as a result of death, then the Company shall pay Executive's Base Salary through the Effective Date of such termination and the Company shall provide Executive's spouse and dependent children health insurance coverage as then in effect for Executive, Executive's spouse and dependent children for a period of twelve (12) months, subject to the payment of any employee contribution, as required by the Company's health insurance plans covered by COBRA. Health insurance benefits subsequent to the initial twelve (12) month period will be in accordance with COBRA. Nothing herein shall be construed as extending or delaying the start date of the COBRA coverage period for Executive's spouse and dependent children. The Company shall thereafter have no further obligations under this Agreement.

4.7 Benefit Limit. In the event that any payment or benefit (including salary continuation payments, accelerated option vesting or continued health insurance coverage) received or to be received by Executive pursuant to this Agreement (or in connection with Executive's termination of employment or contingent upon a Change in Control of the Company pursuant to any plan or arrangement or other agreement with the Company (or any affiliate)) (collectively the "Payments") would constitute a parachute payment within the meaning of Section 280G of the Internal Revenue Code of 1986, as amended (the "Code"), then the following limitation shall apply:

The aggregate present value of those Payments shall be limited in amount to the greater of the following dollar amounts (the "Benefit Limit"):

- i. 2.99 times Executive's Average Compensation, or
- ii. the amount which yields Executive the greatest after-tax amount of Payments under this Agreement after taking into account any excise tax imposed under Code Section 4999 on those Payments.

The present value of the Payments will be measured as of the date of the Change in Control and determined in accordance with the provisions of Code Section 280G(d)(4).

Average Compensation shall have the meaning determined in accordance with the provisions of Code Section 280G.

4.8 Resolution Procedure. For purposes of the foregoing Benefit Limit, the following provisions will be in effect:

a) In the event there is any disagreement between Executive and the Company as to whether one or more Payments to which Executive becomes entitled under this Agreement constitute parachute payments under Code Section 280G or as to the determination of the present value thereof, such dispute will be resolved as follows:

i. In the event temporary, proposed or final Treasury Regulations in effect at the time under Code Section 280G (or applicable judicial decisions) specifically address the status of any such Payment or the method of valuation therefor, the characterization afforded to such Payment by the Regulations (or such decisions) will, together with the applicable valuation methodology, be controlling.

ii. In the event Treasury Regulations (or applicable judicial decisions) do not address the status of any Payment in dispute, the matter will be submitted for resolution to a nationally-recognized independent accounting firm mutually acceptable to Executive and the Company ("Independent Accountant"). The resolution reached by the Independent Accountant will be final and controlling; provided, however, that if in the judgment of the Independent Accountant the status of the payment in dispute can be resolved by means of obtaining a private letter ruling from the Internal Revenue Service, a formal and proper request for such ruling will be prepared and submitted, and the determination made by the Internal Revenue Service in the issued ruling will be controlling. All expenses incurred in connection with the retention of the Independent Accountant and (if applicable) the preparation and submission of the ruling request shall be borne by the Company.

4.9 Reduction of Benefits. To the extent the aggregate present value of the Payments would exceed the Benefit Limit, the salary continuation payments will first be reduced, and then the accelerated vesting of the Equity Awards (based on their parachute value under Code Section 280G) will be reduced, to the extent necessary, to assure that such Benefit Limit is not exceeded.

4.10 No Other Severance. Executive hereby acknowledges and agrees that, other than the Severance Benefits, upon the termination of Executive's employment, Executive shall not be entitled to any other severance under any Company benefit plan or severance policy generally available to the Company's employees or otherwise.

4.11 Post-Termination Benefits. Except as otherwise expressly provided herein, all of Executive's rights to salary, bonuses, employee benefits and other compensation hereunder which would have accrued or become payable after the termination of Executive's employment shall cease upon such termination, other than those specifically provided for under the Company Benefit Plans (subject to the provisions herein) or as otherwise expressly required under applicable law (such as COBRA).

4.12 Return of Property. In case of Executive's termination, Executive shall promptly return to the Company all property, of any nature whatsoever, that Executive may have received from the Company for use during his/her employment and all physical embodiments of the Confidential Information (as defined in the Confidential Information & Invention Assignment Agreement) (regardless of form or medium) in the possession of or under the control of Executive.

4.13 No Mitigation. Executive shall not be required to seek employment or otherwise mitigate Executive's damages in order to be entitled to the benefits and payments to which Executive is entitled under this Agreement.

ARTICLE V
INDEMNIFICATION

5.1 During Executive's employment and thereafter throughout all applicable limitation periods, the Company shall provide Executive (including his heirs, personal representatives, executors and administrators) with such coverage as will be generally available to senior officers of the Company under the Company's then current Directors and Officers Liability Insurance Policy at the Company's sole expense.

5.2 In addition to the insurance coverage provided for in Section 5.1 above, the Company shall defend, hold harmless and indemnify Executive (and his heirs, personal representatives, executors and administrators) to the fullest extent permitted under applicable law, against all expenses and liabilities reasonably incurred by him in connection with or arising out of any action, suit or proceeding in which Executive may be involved by reason of his having been an officer, director or employee of the Company (whether or not he continues to be an officer, director or employee of the Company at the time such expenses or liabilities are incurred), such expenses and liabilities to include, but not be limited to, judgments, court costs, attorneys' fees and the cost of reasonable settlements. The Company shall maintain bylaws authorizing such indemnification of Executive to the fullest extent permitted by law.

5.3 In the event Executive becomes a party, or is threatened to be made a party, to any action, suit or proceeding for which the Company has agreed to provide insurance coverage or indemnification under this Article V, the Company shall, to the fullest extent permitted under applicable law, advance all expenses (including the reasonable attorneys' fees, related fees and expenses, judgments, fines and amounts paid in settlement (collectively "Expenses") incurred by Executive in connection with the investigation, defense, settlement or appeal of any threatened, pending or completed action, suit or proceeding. Executive agrees to reimburse the Company for the amount of all of the expenses actually paid by the Company to or on behalf of Executive in the event the Company determines that Executive is not entitled to indemnification by the Company for such expenses. Executive also agrees to assign to the Company all rights of Executive to insurance proceeds under any policy of directors and officers liability insurance to the extent of the amount of the expenses actually paid by the Company to or on behalf of Executive.

5.4 Cooperation in Legal Matters. Executive will cooperate with the Company, during his/her employment and thereafter, with respect to any pending or threatened claim, action, suit, or proceeding, whether civil, criminal, administrative, or investigative (the "Claims"), by being reasonably available to testify on behalf of the Company, and to assist the Company by providing information, meeting and consulting with the Company or its representatives or counsel, as reasonably requested. In the event Executive is subpoenaed to testify or otherwise requested to provide information in any matter, including without limitation, any court action, administrative proceeding or government audit or investigation, relating to the Company, Executive agrees, unless otherwise required by law, that: (a) Executive will promptly notify the Company of any subpoena, summons or other request to testify or to provide information of any kind no later than three days after receipt of such subpoena, summons or request and, in any event, prior to the date set for Executive to provide such testimony or information; (b) Executive will cooperate with the Company with respect to such subpoena, summons or request for information; (c) Executive

will not voluntarily provide any testimony or information without permission of the Company; and (d) Executive will permit the Company to be represented by an attorney of the Company's choosing at any such testimony or with respect to any such information to be provided, and will follow the instructions of the attorney designated by the Company with respect to whether testimony or information is privileged by the attorney-client and/or work product privileges of the Company. The Company will reimburse Executive for all out-of-pocket expenses reasonably incurred by Executive in connection with Executive's provision of such testimony or assistance, and if Executive is no longer employed by the Company, Executive will be paid a reasonable hourly rate (such hourly rate to be no less than his most recent Base Salary under this Agreement divided by 2000) for his time spent providing such cooperation. If requested by Executive, the Company will provide counsel to Executive at the Company's expense. Notwithstanding any other provision of this Agreement, the provisions of this Article V shall survive the termination of Executive's employment and the termination of this Agreement.

ARTICLE VII
GENERAL PROVISIONS

6.1 Notices. All notices, demands, requests, consents, approvals or other communications (collectively "Notices") required or permitted to be given hereunder or which are given with respect to this Agreement shall be in writing and may be personally served or may be deposited in the United States mail, registered or certified, return receipt requested, postage prepaid, addressed as follows:

To the Company:

EMCORE Corporation
2015 Chestnut Street
Alhambra, CA 91803
Attn: Chief Administration Officer

To Executive:

Charlie Wang
1600 Eubank Blvd SE
Albuquerque, NM 87123

or such other address as such party shall have specified most recently by written notice. Notice mailed as provided herein shall be deemed given on the fifth business day following the date so mailed or on the date of actual receipt, whichever is earlier.

6.2 Covenant to Notify Management. Executive agrees to abide by the ethics policies of the Company as well as the Company's other rules, regulations, policies and procedures. Executive agrees to comply in full with all governmental laws and regulations as well as ethics codes applicable to the profession. In the event that Executive is aware or suspects the Company, or any of its officers or agents, of violating any such laws, ethics codes, rules,

regulations, policies or procedures, Executive agrees to bring all such actual and suspected violations to the attention of the Company immediately so that the matter may be properly investigated and appropriate action taken. Executive understands that he is precluded from filing a complaint with any governmental agency or court having jurisdiction over wrongful conduct unless Executive has first notified the Company of the facts and permitted it to investigate and correct the concerns.

6.3 No Waivers. No provision of this Agreement may be modified, waived or discharged unless such waiver, modification or discharge is agreed to in writing and signed by Executive and the Company. No waiver by either party hereto at any time of any breach by the other party hereto of, or compliance with, any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time.

6.4 Beneficial Interests. This Agreement shall inure to the benefit of and be enforceable by Executive's personal and legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees. If Executive should die while any amounts are still payable to him hereunder, all such amounts, unless otherwise provided herein, shall be paid in accordance with the terms of this Agreement to Executive's devisee, legatee, or other designee or, if there be no such designee, to Executive's estate.

6.5 Choice of Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California without giving effect to the principles of conflicts of law under California law. The Company and Executive agree to attempt to resolve any employment related dispute between them quickly and fairly, and in good faith. Should such a dispute remain unresolved, the Company and Executive irrevocably and unconditionally agree to submit to the exclusive jurisdiction of the courts of the State of California and of the United States located in Los Angeles, California over any suit, action or proceeding arising out of or relating to this Agreement. The Company and Executive irrevocably and unconditionally agree to personal jurisdiction and venue of any such suit, action or proceeding in the courts of the State of California or of the United States located in Los Angeles, California.

6.6 Statute of Limitations. Executive and the Company hereby agree that there shall be a one (1) year statute of limitations for the filing of any requests for arbitration or any lawsuit relating to this Agreement or the terms or conditions of Executive's employment by the Company. If such a claim is filed more than one (1) year subsequent to Executive's last day of employment it shall be precluded by this provision, regardless of whether or not the claim has accrued at that time.

6.7 Right to Injunctive and Equitable Relief. Executive's obligations under Article III are of a special and unique character, which gives them a peculiar value. The Company cannot be reasonably or adequately compensated for damages in an action at law in the event Executive breaches such obligations. Therefore, Executive expressly agrees that the Company shall be entitled to injunctive and other equitable relief without bond or other security in the event of such breach in addition to any other rights or remedies which the Company may possess or be entitled to pursue. Furthermore, the obligations of Executive and the rights and remedies of the Company under Article III are cumulative and in addition to, and not in lieu of, any obligations, rights, or remedies created by applicable law.

6.8 Enforceability; Severability or Partial Invalidity. It is the desire and intent of the parties that the provisions of this Employment Agreement shall be enforced to the fullest extent permissible. The invalidity or unenforceability of any provisions of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect. In the event that any one or more of the provisions of this

Employment Agreement is held to be invalid or unenforceable, the remaining terms and provisions will be unimpaired, and the invalid or unenforceable term or provision will be deemed replaced by a term or provision that is valid and enforceable and that comes closest to expressing the intention of the invalid or unenforceable term or provision. Any prohibition or finding of unenforceability as to any provision of this Agreement in any one jurisdiction will not invalidate or render unenforceable such provision in any other jurisdiction.

6.9 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which taken together shall constitute but one and the same instrument.

6.10 Attorneys' Fees. In the event any action in law or equity, arbitration or other proceeding is brought for the enforcement of this Agreement or in connection with any of the provisions of this Agreement, the prevailing party shall be entitled to his or its attorneys' fees and other costs reasonably incurred in such action or proceeding.

6.11 Entire Agreement. This Agreement, along with the Confidential Information & Invention Assignment Agreement by and between Executive and the Company of even date herewith (the "Proprietary Information Agreement"), constitutes the entire agreement of the parties and supersedes all prior written or oral and all contemporaneous oral agreements, understandings, and negotiations between the parties with respect to the subject matter hereof. This Agreement, along with the Proprietary Information Agreement, is intended by the parties as the final expression of their agreement with respect to such terms as are included herein and therein and may not be contradicted by evidence of any prior or contemporaneous agreement. The parties further intend that this Agreement, along with the Proprietary Information Agreement, constitutes the complete and exclusive statement of their terms and that no extrinsic evidence may be introduced in any judicial proceeding involving such agreements. The language used in this Agreement shall be deemed to be the language chosen by the parties hereto to express their mutual intent, and no rule of strict construction shall be applied against any party.

6.12 Assignment. This Agreement and the rights, duties, and obligations hereunder may not be assigned or delegated by any party without the prior written consent of the other party, and any attempted assignment or delegation without such prior written consent shall be void and be of no effect; provided that, in the event of the death of Executive, all rights to receive payments hereunder shall become rights of Executive's estate. Notwithstanding the foregoing provisions of this Section 6.12, the Company may assign or delegate its rights, duties, and obligations hereunder to any affiliate or to any person or entity which succeeds to all or substantially all of the business of the Company through merger, consolidation, reorganization, or other business combination or by acquisition of all or substantially all of the assets of the Company. This Agreement shall be binding upon and inure to the benefit of Executive, his heirs, executors and administrators, and this Agreement shall be binding upon and inure to the benefit of the Company, its successors and permitted assigns.

6.13 Dispute Resolution. Any controversy, dispute, claim or other matter in question arising out of or relating to the interpretation, performance or breach of this Agreement shall be governed by and interpreted in accordance with the laws of the State of California, without application of any conflict of laws provisions, and shall be enforceable in the courts of that state.

6.14 Taxes and Withholding. To the extent required or authorized to be withheld by law, the Company shall be entitled to deduct or withhold from any amounts owing from the Company to Executive any federal, state, local or foreign withholding taxes, excise tax, or employment taxes imposed with respect to Executive's payments, benefits or compensation under this Agreement or under any other agreement. As a condition to any payment or distribution

pursuant to this Agreement, the Company may require Executive to pay such sum to the Company as may be necessary to discharge its obligations with respect to any taxes, assessments or other governmental charges imposed on property or income received by Executive thereunder.

6.15 No Conflicting Obligations; Acknowledgement of Understanding and Review. Executive represents and warrants to the Company that Executive is not now under any legal restraint or obligation to any person, firm or corporation, other than the Company, that would prevent or make unlawful Executive's execution of this Agreement, and Executive further represents and warrants that Executive has no other interest which is inconsistent or in conflict with this Agreement, or which would prevent, limit, or impair, in any way, Executive's performance of any of the covenants or duties hereinabove set forth. Executive acknowledges that Executive has read and understands this Agreement, is entering into this Agreement knowingly and voluntarily, and that Executive had a reasonable period of time in which to consider this Agreement and to obtain advice from counsel of Executive's choosing.

6.16 Section 409A.

To the extent applicable, it is intended that the payments and benefits provided under this Agreement comply with the requirements of Section 409A of the Code, and this Agreement shall be interpreted in a manner consistent with this intent. Solely for purposes of determining the time and form of payments due under this Agreement or otherwise in connection with his termination of employment with the Company, Executive shall not be deemed to have incurred a termination of employment unless and until he shall incur a "separation from service" within the meaning of Section 409A of the Code.

It is intended that each payment or installment of a payment and each benefit provided under this Agreement shall be treated as a separate "payment" for purposes of Section 409A.

To the extent that the Company and Executive determine that any provision of this Agreement could reasonably be expected to result in Executive's being subject to the payment of interest or additional tax under Section 409A, the Company and Executive agree, to the extent reasonably possible as determined in good faith, to amend this Agreement, retroactively, if necessary, in order to avoid the imposition of any such interest or additional tax under Section 409A. All reimbursements and in-kind benefits provided under the Agreement shall be made or provided in accordance with the requirements of Section 409A to the extent that such reimbursements or in-kind benefits are subject to Section 409A, including, where applicable, the requirements that (i) any reimbursement is for expenses incurred during Executive's lifetime (or during a shorter period of time specified in this Agreement), (ii) the amount of expenses eligible for reimbursement during a calendar year may not affect the expenses eligible for reimbursement in any other calendar year (except that a plan providing medical or health benefits may impose a generally applicable limit on the amount that may be reimbursed or paid), (iii) the reimbursement of an eligible expense will be made on or before the last day of the calendar year following the year in which the expense is incurred and (iv) the right to reimbursement is not subject to set off or liquidation or exchange for any other benefit.

Notwithstanding any other provision in this Agreement, if as of Executive's separation from service, the Executive is a "specified employee" as determined by the Company, then to the extent any amount payable or benefit provided under this Agreement that the Company reasonably determines would be nonqualified deferred compensation within the meaning of Section 409A of the Code, for which payment is triggered by Executive's separation from service (other than on account of death), and that under the terms of this Agreement would be payable prior to the

six-month anniversary of the Executive's separation from service, such payment or benefit shall be delayed until the earlier to occur of (a) the six-month anniversary of such termination date or (b) the date of the Executive's death. In the case of taxable benefits that constitute deferred compensation, the Company, in lieu of a delay in payment, may require the Executive to pay the full costs of such benefits during the period described in the preceding sentence and reimburse that Executive for said costs within thirty (30) calendar days after the end of such period.

Nothing herein shall be construed as any guarantee by the Company of any particular tax treatment of any income or payments to Executive provided pursuant to this Agreement or other agreements or arrangements contemplated by this Agreement, and Executive remains solely responsible for all applicable taxes on such income and payments.

6.17 Section Headings. The section headings in this Agreement are for convenience only. They form no part of this Agreement and shall not affect its interpretation.

6.18 Third Party Beneficiaries. Nothing herein, expressed or implied, shall create or establish any third party beneficiary hereto nor confer upon any person not a party to this Agreement, any rights or remedies, including any right to employment or continued employment for any specified period, of any nature or kind whatsoever, under or by reason of this Agreement.

6.19 Continuing Obligations. Notwithstanding the termination of Executive's employment hereunder for any reason or anything in this Agreement to the contrary, all post-employment rights and obligations of the parties, including but not limited to those set forth in Articles III - V, and any provisions necessary to interpret or enforce those rights and obligations under any provision of this Agreement, will survive the termination or expiration of this Agreement and remain in full force and effect for the applicable periods.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

“COMPANY”

EMCORE Corporation

By: /s/ Monica D. Van Berkel

Monica D. Van Berkel

Chief Administration Officer

“EXECUTIVE”

By: /s/ Charlie Wang

Charlie Wang

EMPLOYMENT AGREEMENT

This Employment Agreement (“Agreement”) is dated effective as of August 2, 2011 (the “Effective Date”), between EMCORE Corporation, a New Jersey corporation (“the Company”), and Monica D. Van Berkel (“Executive”). In consideration of the mutual covenants and agreements set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I

EMPLOYMENT

The Company hereby employs Executive, and Executive accepts employment with the Company upon the terms and conditions herein set forth.

1.1 Employment. The Company hereby employs Executive, and Executive agrees to serve as the Company's Chef Administration Officer, reporting to the Chief Executive Officer, or in such other management position consistent with Executive's experience, expertise and reputation in the industry, as the Company shall determine. Executive agrees to devote Executive's full business time and attention and best efforts to the affairs of the Company during his/her employment. Executive shall perform his/her duties, responsibilities and functions to the Company hereunder to the best of his/her abilities in a diligent, trustworthy, professional and efficient manner. Executive shall be headquartered in Alhambra, CA, but shall do such traveling as may be reasonably required of him/her in the performance of such duties. So long as Executive is employed by the Company, Executive shall not, without the prior written consent of the Compensation Committee (defined below), perform other services for compensation except that Executive may engage in charitable or civic activities so long as such activities do not materially interfere with the performance of Executive's duties and responsibilities hereunder. If an outside activity subsequently creates a conflict with the Company's business or prospective business, Executive agrees to cease engaging in such activity at such time. Executive will observe and adhere to all applicable written Company policies and procedures adopted from time to time, such as they now exist or hereafter are supplemented, amended, modified or restated.

1.2 At-Will Relationship. Executive's employment shall be “at-will” and may be terminated by Executive or the Company with or without cause and with or without prior notice (except as otherwise provided under Article IV), subject only to the severance obligations as described in this Agreement.

ARTICLE II

COMPENSATION

2.1 Annual Salary and Incentive Programs. During the employment of Executive, the Company shall pay to Executive an initial base salary at the annual rate of \$222,500, or an adjusted rate (the “Base Salary”) determined by the Compensation Committee of the Board of Directors (the “Compensation Committee”), payable in regular installments in accordance with the Company's customary payroll practices (as in effect from time to time). The

Company shall review Executive's Base Salary annually at the time of Executive's performance review discussed below and may, in its sole and absolute discretion, increase Executive's Base Salary in light of Executive's performance, inflation, cost of living, and other factors deemed relevant by the Company; however, Executive's Base Salary may not be decreased below the initial Base Salary without the Executive's prior consent. The Chief Executive Officer of the Company shall meet with Executive annually to review Executive's performance, objectives and compensation, including salary, bonus and stock options; the Chief Executive Officer shall then meet with the Compensation Committee to discuss the same. If the Compensation Committee determines that any adjustments thereto are appropriate it shall direct the Chief Executive Officer to make such adjustments, as it deems appropriate, consistent with this Agreement.

2.2 Bonus. To be eligible to receive an award under any annual Company bonus or pay-for-performance plan, the Executive must be employed on the last day of the Company's fiscal year or the otherwise defined bonus/performance period. If the Executive's employment is terminated, except for Cause as defined below, after the end of a fiscal year but before the annual bonus or pay-for-performance payments are distributed, the Executive shall be entitled to the annual bonus or pay-for-performance payment attributable to Executive for the immediately preceding fiscal year, if any. The Company shall make this payment at the same time it pays all other employees in accordance with the Company's normal practices, but no later than March 15th of the applicable year.

2.3 Long-Term Incentive. Executive shall be eligible for equity awards under the Company's equity award plan covering senior executives, as in effect from time to time and as approved in the sole discretion by the Compensation Committee (the "Equity Awards").

2.4 Grant Agreements. Equity Awards will be governed by separate agreements, and in the event of any inconsistency between such separate agreements and the terms of this Agreement (including, but not limited to this Agreement's Section 4.6 covering vesting on termination), this Agreement shall govern and control. For avoidance of doubt, nothing in the preceding sentence shall be construed to limit the application of any provision of such separate agreements that expressly refers to and incorporates a provision of this Agreement.

2.5 Reimbursement of Expenses. Executive shall be entitled to receive prompt reimbursement of all reasonable and necessary expenses incurred by Executive in performing services hereunder, provided that such expenses are incurred and accounted for strictly in accordance with the policies and procedures established from time to time by the Company.

2.6 Benefits. Executive shall be entitled to participate in and be covered by health insurance, 401(k) and other employee plans and benefits currently or hereafter established for the employees of the Company generally (collectively referred to as the "Company Benefit Plans") on at least the same terms as other executive officers of the Company, subject to meeting applicable eligibility requirements. Executive understands that any such Company Benefit Plans may be terminated or amended from time to time by the Company in its discretion, and that participation and benefits under such Company Benefit Plans shall be determined in accordance with the applicable terms and provisions thereof.

2.7 Paid Time Off and Holidays. The Company does not currently limit Paid Time Off ("PTO") for its executives, and Executive shall be entitled to PTO in accordance with the Company's PTO policy in effect from time to time with respect to executives. The Company observes ten (10) paid holidays per calendar year. Nine (9) of the Company-observed holidays are the same each year; one (1) "floating" holiday is determined by the Company

annually.

ARTICLE III

CONFIDENTIALITY, NONDISCLOSURE, AND NONSOLICITATION

3.1 Confidentiality and Intellectual Property. The Executive is bound by the terms of the Confidential Information & Invention Assignment Agreement signed on or about the date of hire. Any reference to restrictive covenants or post-termination obligations under this Agreement shall include the obligations on Executive under such Confidential Information & Invention Assignment Agreement.

3.2 Prohibition on Solicitation of Customers and Employees. During Executive's employment with the Company and, in the event of Executive's termination of employment, for a period equal to two (2) years following such termination, Executive shall not, directly or indirectly, whether on behalf of himself or any other person or entity, (i) solicit any employee, agent, consultant or independent contractor of the Company to leave the employ, agency or services of the Company, or in any way interfere with the relationship between the Company and any such person, or (ii) call on, solicit or service any customer, supplier, licensee, licensor or other business relation of the Company in order to induce or attempt to induce such person to cease doing business with, or reduce the amount of business conducted with, the Company, or in any way interfere with the relationship between any such customer, supplier, licensee or business relation of the Company. However, Executive may solicit any employee, agent, consultant or independent contractor who voluntarily terminates his or her employment, agency or services with the Company; however, Executive may not make any such solicitation until a period of one-hundred eighty (180) days has elapsed following the termination date of such employee, agent, consultant or independent contractor (it being conclusively presumed by the parties so as to avoid any disputes under this Section 3.2 that any such hiring within such 180-day period is in violation of this Section 3.2). None of the foregoing shall be deemed a waiver of any and all rights and remedies the Company may have under applicable law.

3.3 Enforcement. It is the intent of the parties that the restrictive covenants contained in this Article III are severable and separate and the unenforceability of any individual provision shall not affect the enforceability of any other. If any covenant in this Article III is held to be unreasonable, arbitrary, or against public policy, such covenant will be considered to be divisible with respect to scope, time, and geographic area; and such lesser scope, time, or geographic area, or all of them, as a court of competent jurisdiction may determine to be reasonable, not arbitrary, and not against public policy, will be effective, binding and enforceable against the Executive. The restrictive covenants of this Article III shall survive this Agreement, and remain in full force and effect until the expiration of the period specified herein.

3.4 Remedy. If Executive breaches, or threatens to commit a breach of, any of the restrictive covenants, the Company shall have the following rights and remedies, each of which rights and remedies shall be independent of the others and severally enforceable, and each of which is in addition to, and not in lieu of, any other rights and remedies available to the Company at law or in equity: (i) the right and remedy to have the restrictive covenants specifically enforced by any court of competent jurisdiction (without posting a bond), it being agreed that any breach or threatened breach of the restrictive covenants would cause irreparable injury to the Company and that money damages would not provide an adequate remedy to the Company; and (ii) the right and remedy to require Executive or any applicable person or entity to account for and pay over to the Company any profits, monies, accruals, increments or other benefits derived or received by Executive or such person or entity as the result of any transactions constituting a breach of the restrictive covenants. In the event of any breach by Executive of any of the

restrictive covenants, the time period of such covenant with respect to Executive shall be tolled until such breach or violation is resolved.

3.5 Acknowledgement. Executive has consulted with legal counsel regarding the restrictive covenants contained in this Article III and based on such consultation has determined and hereby acknowledges that the restrictive covenants are reasonable in terms of duration, scope and area restrictions and are necessary to protect the goodwill of the Company. Executive acknowledges that the consideration that Executive will receive pursuant to this Agreement serves as sufficient consideration for Executive's promises to abide by the restrictive covenants set forth in this Article III.

ARTICLE IV TERMINATION

4.1 Definitions. For purposes of this Article IV, the following definitions in Sections 4.2-4.5 shall apply to the terms set forth below:

4.2 Cause. "Cause" means termination of employment resulting from a good faith determination by the Board of Directors or its delegate that:

- a) Executive has failed or repeatedly refused to follow policies or reasonable directives established by Executive's direct manager or the Board of Directors with the result that such performance has caused material damage to the Company, or Executive has failed or repeatedly refused to perform the material duties or obligations of his or her office (other than any such failure resulting from the person's inability due to physical or mental illness), which Executive has failed to correct within a reasonable period of time following the receipt of written notice of such failure by Executive; or
 - b) There has been an act by Executive involving wrongful misconduct which has a demonstrably adverse impact on or caused material damage to the Company, or which constitutes theft, fraud or a misappropriation of the assets of the Company; or
 - c) Executive has engaged in an intentional or reckless and unauthorized disclosure of confidential information, directly or indirectly, to persons outside the Company that materially adversely affects the Company; or
 - d) Executive, while employed by the Company, has performed services for another company or person which competes with the Company without the prior written approval of the Board of Directors or Executive's direct manager.
 - e) Conduct by Executive which in the good faith, reasonable determination of the Board of Directors demonstrates gross unfitness to serve including, but not limited to, gross neglect, non-prescription use of
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controlled substances, any abuse of controlled substances whether or not by prescription, or habitual drunkenness, intoxication, or other impaired state induced by consumption of any drug, including, without limitation, alcohol.

4.3 Change in Control. "Change in Control" shall mean the occurrence of any of the following:

- a) an acquisition in one transaction or a series of related transactions (other than directly from the Company or pursuant to options granted under any Company plan or other similar awards granted by the Company) of any voting securities by any individual, corporation, limited liability company, partnership, trust, or any other entity or any group (each a "Person"), immediately after which such Person has beneficial ownership of fifty percent (50%) or more of the combined voting power of the Company's then outstanding voting securities; or
- b) the individuals who, immediately prior to the effective date, are members of the Board (the "Incumbent Board"), cease for any reason to constitute at least a majority of the members of the Board; provided, however, that if the election, or nomination for election, by the Company's common stockholders, of any new director was approved by a vote of at least a majority of the Incumbent Board, such new director shall, be considered as a member of the Incumbent Board; provided further, however, that no individual shall be considered a member of the Incumbent Board if such individual initially assumed office as a result of either an actual or threatened "Election Contest" (as described in Rule 14a-11 promulgated under the Exchange Act) or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board (a "Proxy Contest"), including by reason of any agreement intended to avoid or settle any election contest or proxy contest; or
- c) the consummation of:
 - i. a merger, consolidation or reorganization involving the Company unless:
 - (1) the stockholders of the Company, immediately before such merger, consolidation or reorganization, own, directly or indirectly, immediately following such merger, consolidation or reorganization, more than fifty percent (50%) of the combined voting power of the outstanding voting securities of the corporation resulting from such merger or consolidation or reorganization (the "Surviving Corporation") in substantially the same proportion as their ownership of the voting securities immediately before such merger, consolidation or reorganization, and
 - (2) the individuals who were members of the Incumbent Board immediately prior to the execution of the agreement providing for such merger, consolidation or reorganization constitute at least a majority of the members of the Board of Directors of the Surviving Corporation, or a corporation beneficially owning, directly or indirectly, a majority of the voting securities of the Surviving Corporation, and
 - (3) no Person, other than (i) the Company, (ii) a any corporation or other Person of which a

majority of its voting power or its voting equity securities or equity interest is owned, directly or indirectly, by the Company, (iii) any employee benefit plan (or any trust forming a part thereof) that, immediately prior to such merger, consolidation or reorganization, was maintained by the Company, the Surviving Corporation, or any Related Entity, or (iv) any Person who, together with its Affiliates, immediately prior to such merger, consolidation or reorganization had Beneficial Ownership of fifty percent (50%) or more of the then outstanding voting securities, owns, together with its Affiliates, beneficial ownership of fifty percent (50%) or more of the combined voting power of the Surviving Corporation's then outstanding voting securities (a transaction described in clauses (1) through (3) above is referred to herein as a "Non-Control Transaction"); or

ii) a complete liquidation or dissolution of the Company; or

iii) an agreement for the sale or other disposition of fifty percent (50%) or more of the assets or business of the Company to any Person (other than a transfer to a Related Entity or the distribution to the Company's stockholders of the stock of a Related Entity or any other assets). For the avoidance of doubt any sale or other disposition of a majority of the Company's fiber optics business or its photovoltaics business will be deemed a Change in Control.

Notwithstanding the foregoing, a Change in Control shall not be deemed to occur solely because any Person (the "Subject Person") acquired beneficial ownership of fifty percent (50%) or more of the combined voting power of the then outstanding voting securities as a result of the acquisition of voting securities by the Company which, by reducing the number of voting securities then outstanding, increases the proportional number of shares Beneficially Owned by the Subject Persons, provided that if a Change in Control would occur (but for the operation of this sentence) as a result of the acquisition of voting securities by the Company, and (1) before such share acquisition by the Company the Subject Person becomes the beneficial owner of any new or additional voting securities in a related transaction, or (2) after such share acquisition by the Company the Subject Person becomes the beneficial owner of any new or additional voting securities which in either case increases the percentage of the then outstanding voting securities beneficially owned by the Subject Person, then a Change in Control shall be deemed to occur. (x) "Affiliate" shall mean, with respect to any Person, any other Person that, directly or indirectly, controls, is controlled by, or is under common control with, such Person; (y) any "Relative" (for this purpose, "Relative" means a spouse, child, parent, parent of spouse, sibling or grandchild) of an individual shall be deemed to be an Affiliate of such individual for this purpose; and (z) neither the Company nor any Person controlled by the Company shall be deemed to be an Affiliate of any holder of Common Stock.

4.4 Good Reason. "Good Reason" shall mean:

- a) Assignment of Executive without Executive's written consent to a position, responsibilities or duties of a materially lesser status or degree of responsibility than his or her position, responsibilities or duties as of the date of this Agreement; or
 - b) A requirement that Executive relocate, except for office relocations that would not increase the Executive's one-way commute by more than fifty (50) miles, or a requirement that Executive travel more than an average of two (2) days per week; or
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c) A reduction by the Company of Executive's Base Salary below the initial Base Salary or, following a Change in Control, below Executive's Base Salary at the time of the Change in Control, without Executive's consent; or

d) Any material breach by the Company of any provision of this Agreement without Executive having committed any material breach of Executive's obligations hereunder.

Notwithstanding the foregoing, the events listed in items (a) through (d), above, shall constitute "Good Reason" only where the Company is given notice and an opportunity to cure, as described in Section 4.6(b)(vi), below.

4.5 Severance Benefits. The term "Severance Benefits" refers to the benefits and payments set forth in Section 4.6 (excepting any payment of Executive's Base Salary through the Effective Date of such termination).

4.6 Severance Benefits Received Upon Termination.

a) If the Company terminates Executive's employment for Cause, or Executive terminates this Agreement without Good Reason, then the Company shall pay Executive's Base Salary through the Effective Date of such termination and the Company shall thereafter have no further obligations to Executive under this Agreement.

b) If Executive's employment is terminated by the Company without Cause, or if Executive's employment is terminated by Executive for Good Reason, then the Company shall pay Executive's Base Salary through the Effective Date of such termination and also provide Executive:

i. Continuation of Base Salary for a period equal to (a) one (1) year, plus (b) two (2) weeks, plus (c) two (2) additional weeks for each whole year Executive was employed by the Company (the "Severance Period"). All severance payments will be paid out over time and on the regular paydays of the Company, to the extent administratively feasible.

ii. In accordance with the Company's health plans, Executive will be eligible to exercise his or her rights to COBRA health insurance coverage for the Executive, and, where applicable, Executive's spouse and eligible dependents, at Executive's expense (subject to the following provision), upon termination of Executive's employment. To the extent Executive elects COBRA continuation coverage, the Company shall continue to pay the portion of Executive's COBRA premiums for the entire Severance Period up to a maximum of eighteen (18) months that the Company would have otherwise paid assuming Executive was an active employee during such time. Executive acknowledges that as a condition of the Company's payment of its portion of the COBRA premium, Executive will pay by check made payable to the Company the amount equal to Executive's portion of the COBRA premiums during the Severance Period. Nothing herein shall be construed as extending or delaying the start date of the COBRA coverage period for Executive. All

voluntary payroll deductions, including but not limited to 401(k), ESPP and term life, will cease effective on the employment separation date.

iii. The Company shall provide to Executive standard outplacement services at the expense of the Company from an established outplacement firm selected by the Company; provided, however, that the cost of the benefits shall be commensurate with the level of the Executive and, absent special circumstances, shall generally not exceed in total an amount equal to \$15,000 per Executive. In order to receive outplacement services, the Executive must begin utilizing the services within thirty (30) days following his or her date of termination, and any Company-provided outplacement service shall cease no later than 12 months following such termination date. The fees shall be paid directly to the outplacement firm and no part of this amount shall be paid to the Executive.

iv. Acceleration and immediate vesting of one hundred percent (100%) of Executive's Equity Awards (excepting such performance-based Equity Awards that would otherwise be disqualified as "performance-based" compensation under section 162(m) of the Code) which have not yet vested by Executive's date of termination, and such accelerated Equity Awards as well as any other Equity Awards which have vested and which are then exercisable, shall remain exercisable for a period of three (3) years following the employment separation date (but no later than the expiration of the term of the applicable Equity Award) and shall then expire and be of no further force or effect.

v. As a condition to Executive's right to receive the Severance Benefits provided for in this Section 4.6, Executive shall, upon termination of his/her employment, enter into a general release agreement in a form to be determined by the Company. Such release shall be executed and not revoked by Executive (or if applicable, Executive's estate or legal guardian) such that the release is effective and binding and non-revocable by the end of the 60-day period after Executive's termination of employment, and any amounts that would otherwise be payable and rights that would otherwise be effective during the 60-day period in the absence of the preceding release requirement shall be payable and effective on the 60th day after Executive's termination of employment. To the extent that the release is not executed or is revoked as provided herein, all payments, rights and benefits due to Executive under this Section 4.6 that are not otherwise required by law shall be forfeited. Executive's receipt of any payments or benefits under this Section 4.6 is also contingent upon Executive's compliance with all post-employment obligations under this Agreement, including but not limited to the restrictive covenants in Article III.

Notwithstanding the foregoing:

vi. To the extent that Executive's termination of employment from the Company is by Executive for Good Reason, the date of termination must occur within nine (9) months following the initial existence of the condition constituting the Good Reason (the "Condition"); Executive must give the Compensation Committee written notice of the Condition within a period of ninety (90) days of the initial existence of the Condition; and the Company must have a period of thirty (30) days from the date such written notice is provided to the Compensation Committee in which to remedy the Condition and avoid paying any Severance Benefits. If the Condition is not remedied during the thirty-day cure period, Executive shall then be entitled to provide written notice to the Compensation Committee of Executive's termination for Good Reason before the end of such nine-

month period.

c) If, within thirty-six (36) months of a Change in Control, Executive's employment is terminated by the Company or its successor in interest without Cause or by Executive for Good Reason, then the Company shall pay Executive's Base Salary through the Effective Date of such termination and also provide Executive the Severance Benefits described in Section 4.6(b)(i)-(v) above (subject to the execution of the release as provided in Section 4.6(vi)).

d) If Executive's employment is terminated as a result of death, then the Company shall pay Executive's Base Salary through the Effective Date of such termination and the Company shall provide Executive's spouse and dependent children health insurance coverage as then in effect for Executive, Executive's spouse and dependent children for a period of twelve (12) months, subject to the payment of any employee contribution, as required by the Company's health insurance plans covered by COBRA. Health insurance benefits subsequent to the initial twelve (12) month period will be in accordance with COBRA. Nothing herein shall be construed as extending or delaying the start date of the COBRA coverage period for Executive's spouse and dependent children. The Company shall thereafter have no further obligations under this Agreement.

4.7 Benefit Limit. In the event that any payment or benefit (including salary continuation payments, accelerated option vesting or continued health insurance coverage) received or to be received by Executive pursuant to this Agreement (or in connection with Executive's termination of employment or contingent upon a Change in Control of the Company pursuant to any plan or arrangement or other agreement with the Company (or any affiliate)) (collectively the "Payments") would constitute a parachute payment within the meaning of Section 280G of the Internal Revenue Code of 1986, as amended (the "Code"), then the following limitation shall apply:

The aggregate present value of those Payments shall be limited in amount to the greater of the following dollar amounts (the "Benefit Limit"):

- i. 2.99 times Executive's Average Compensation, or
- ii. the amount which yields Executive the greatest after-tax amount of Payments under this Agreement after taking into account any excise tax imposed under Code Section 4999 on those Payments.

The present value of the Payments will be measured as of the date of the Change in Control and determined in accordance with the provisions of Code Section 280G(d)(4).

Average Compensation shall have the meaning determined in accordance with the provisions of Code Section 280G.

4.8 Resolution Procedure. For purposes of the foregoing Benefit Limit, the following provisions will be in effect:

a) In the event there is any disagreement between Executive and the Company as to whether one or more Payments to which Executive becomes entitled under this Agreement constitute parachute payments under Code Section 280G or as to the determination of the present value thereof, such dispute will be resolved as follows:

i. In the event temporary, proposed or final Treasury Regulations in effect at the time under Code Section 280G (or applicable judicial decisions) specifically address the status of any such Payment or the method of valuation therefor, the characterization afforded to such Payment by the Regulations (or such decisions) will, together with the applicable valuation methodology, be controlling.

ii. In the event Treasury Regulations (or applicable judicial decisions) do not address the status of any Payment in dispute, the matter will be submitted for resolution to a nationally-recognized independent accounting firm mutually acceptable to Executive and the Company ("Independent Accountant"). The resolution reached by the Independent Accountant will be final and controlling; provided, however, that if in the judgment of the Independent Accountant the status of the payment in dispute can be resolved by means of obtaining a private letter ruling from the Internal Revenue Service, a formal and proper request for such ruling will be prepared and submitted, and the determination made by the Internal Revenue Service in the issued ruling will be controlling. All expenses incurred in connection with the retention of the Independent Accountant and (if applicable) the preparation and submission of the ruling request shall be borne by the Company.

4.9 Reduction of Benefits. To the extent the aggregate present value of the Payments would exceed the Benefit Limit, the salary continuation payments will first be reduced, and then the accelerated vesting of the Equity Awards (based on their parachute value under Code Section 280G) will be reduced, to the extent necessary, to assure that such Benefit Limit is not exceeded.

4.10 No Other Severance. Executive hereby acknowledges and agrees that, other than the Severance Benefits, upon the termination of Executive's employment, Executive shall not be entitled to any other severance under any Company benefit plan or severance policy generally available to the Company's employees or otherwise.

4.11 Post-Termination Benefits. Except as otherwise expressly provided herein, all of Executive's rights to salary, bonuses, employee benefits and other compensation hereunder which would have accrued or become payable after the termination of Executive's employment shall cease upon such termination, other than those specifically provided for under the Company Benefit Plans (subject to the provisions herein) or as otherwise expressly required under applicable law (such as COBRA).

4.12 Return of Property. In case of Executive's termination, Executive shall promptly return to the Company all property, of any nature whatsoever, that Executive may have received from the Company for use during his/her employment and all physical embodiments of the Confidential Information (as defined in the Confidential Information & Invention Assignment Agreement) (regardless of form or medium) in the possession of or under the

control of Executive.

4.13 No Mitigation. Executive shall not be required to seek employment or otherwise mitigate Executive's damages in order to be entitled to the benefits and payments to which Executive is entitled under this Agreement.

ARTICLE V
INDEMNIFICATION

5.1 During Executive's employment and thereafter throughout all applicable limitation periods, the Company shall provide Executive (including his heirs, personal representatives, executors and administrators) with such coverage as will be generally available to senior officers of the Company under the Company's then current Directors and Officers Liability Insurance Policy at the Company's sole expense.

5.2 In addition to the insurance coverage provided for in Section 5.1 above, the Company shall defend, hold harmless and indemnify Executive (and his heirs, personal representatives, executors and administrators) to the fullest extent permitted under applicable law, against all expenses and liabilities reasonably incurred by him in connection with or arising out of any action, suit or proceeding in which Executive may be involved by reason of his having been an officer, director or employee of the Company (whether or not he continues to be an officer, director or employee of the Company at the time such expenses or liabilities are incurred), such expenses and liabilities to include, but not be limited to, judgments, court costs, attorneys' fees and the cost of reasonable settlements. The Company shall maintain bylaws authorizing such indemnification of Executive to the fullest extent permitted by law.

5.3 In the event Executive becomes a party, or is threatened to be made a party, to any action, suit or proceeding for which the Company has agreed to provide insurance coverage or indemnification under this Article V, the Company shall, to the fullest extent permitted under applicable law, advance all expenses (including the reasonable attorneys' fees, related fees and expenses, judgments, fines and amounts paid in settlement (collectively "Expenses") incurred by Executive in connection with the investigation, defense, settlement or appeal of any threatened, pending or completed action, suit or proceeding. Executive agrees to reimburse the Company for the amount of all of the expenses actually paid by the Company to or on behalf of Executive in the event the Company determines that Executive is not entitled to indemnification by the Company for such expenses. Executive also agrees to assign to the Company all rights of Executive to insurance proceeds under any policy of directors and officers liability insurance to the extent of the amount of the expenses actually paid by the Company to or on behalf of Executive.

5.4 Cooperation in Legal Matters. Executive will cooperate with the Company, during his/her employment and thereafter, with respect to any pending or threatened claim, action, suit, or proceeding, whether civil, criminal, administrative, or investigative (the "Claims"), by being reasonably available to testify on behalf of the Company, and to assist the Company by providing information, meeting and consulting with the Company or its representatives or counsel, as reasonably requested. In the event Executive is subpoenaed to testify or otherwise requested to provide information in any matter, including without limitation, any court action, administrative proceeding or government audit or investigation, relating to the Company, Executive agrees, unless otherwise required by law, that: (a) Executive will promptly notify the Company of any subpoena, summons or other request to testify or to provide information of any kind no later than three days after receipt of such subpoena, summons or

request and, in any event, prior to the date set for Executive to provide such testimony or information; (b) Executive will cooperate with the Company with respect to such subpoena, summons or request for information; (c) Executive will not voluntarily provide any testimony or information without permission of the Company; and (d) Executive will permit the Company to be represented by an attorney of the Company's choosing at any such testimony or with respect to any such information to be provided, and will follow the instructions of the attorney designated by the Company with respect to whether testimony or information is privileged by the attorney-client and/or work product privileges of the Company. The Company will reimburse Executive for all out-of-pocket expenses reasonably incurred by Executive in connection with Executive's provision of such testimony or assistance, and if Executive is no longer employed by the Company, Executive will be paid a reasonable hourly rate (such hourly rate to be no less than his most recent Base Salary under this Agreement divided by 2000) for his time spent providing such cooperation. If requested by Executive, the Company will provide counsel to Executive at the Company's expense. Notwithstanding any other provision of this Agreement, the provisions of this Article V shall survive the termination of Executive's employment and the termination of this Agreement.

ARTICLE VII GENERAL PROVISIONS

6.1 Notices. All notices, demands, requests, consents, approvals or other communications (collectively "Notices") required or permitted to be given hereunder or which are given with respect to this Agreement shall be in writing and may be personally served or may be deposited in the United States mail, registered or certified, return receipt requested, postage prepaid, addressed as follows:

To the Company:

EMCORE Corporation
2015 Chestnut Street
Alhambra, CA 91803
Attn: Chief Administration Officer

To Executive:

Monica Van Berkel
2015 Chestnut Street
Alhambra, CA 91803

or such other address as such party shall have specified most recently by written notice. Notice mailed as provided herein shall be deemed given on the fifth business day following the date so mailed or on the date of actual receipt, whichever is earlier.

6.2 Covenant to Notify Management. Executive agrees to abide by the ethics policies of the Company as well as the Company's other rules, regulations, policies and procedures. Executive agrees to comply in full with all

governmental laws and regulations as well as ethics codes applicable to the profession. In the event that Executive is aware or suspects the Company, or any of its officers or agents, of violating any such laws, ethics codes, rules, regulations, policies or procedures, Executive agrees to bring all such actual and suspected violations to the attention of the Company immediately so that the matter may be properly investigated and appropriate action taken. Executive understands that he is precluded from filing a complaint with any governmental agency or court having jurisdiction over wrongful conduct unless Executive has first notified the Company of the facts and permitted it to investigate and correct the concerns.

6.3 No Waivers. No provision of this Agreement may be modified, waived or discharged unless such waiver, modification or discharge is agreed to in writing and signed by Executive and the Company. No waiver by either party hereto at any time of any breach by the other party hereto of, or compliance with, any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time.

6.4 Beneficial Interests. This Agreement shall inure to the benefit of and be enforceable by Executive's personal and legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees. If Executive should die while any amounts are still payable to him hereunder, all such amounts, unless otherwise provided herein, shall be paid in accordance with the terms of this Agreement to Executive's devisee, legatee, or other designee or, if there be no such designee, to Executive's estate.

6.5 Choice of Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California without giving effect to the principles of conflicts of law under California law. The Company and Executive agree to attempt to resolve any employment related dispute between them quickly and fairly, and in good faith. Should such a dispute remain unresolved, the Company and Executive irrevocably and unconditionally agree to submit to the exclusive jurisdiction of the courts of the State of California and of the United States located in Los Angeles, California over any suit, action or proceeding arising out of or relating to this Agreement. The Company and Executive irrevocably and unconditionally agree to personal jurisdiction and venue of any such suit, action or proceeding in the courts of the State of California or of the United States located in Los Angeles, California.

6.6 Statute of Limitations. Executive and the Company hereby agree that there shall be a one (1) year statute of limitations for the filing of any requests for arbitration or any lawsuit relating to this Agreement or the terms or conditions of Executive's employment by the Company. If such a claim is filed more than one (1) year subsequent to Executive's last day of employment it shall be precluded by this provision, regardless of whether or not the claim has accrued at that time.

6.7 Right to Injunctive and Equitable Relief. Executive's obligations under Article III are of a special and unique character, which gives them a peculiar value. The Company cannot be reasonably or adequately compensated for damages in an action at law in the event Executive breaches such obligations. Therefore, Executive expressly agrees that the Company shall be entitled to injunctive and other equitable relief without bond or other security in the event of such breach in addition to any other rights or remedies which the Company may possess or be entitled to pursue. Furthermore, the obligations of Executive and the rights and remedies of the Company under Article III are cumulative and in addition to, and not in lieu of, any obligations, rights, or remedies created by applicable law.

6.8 Enforceability; Severability or Partial Invalidity. It is the desire and intent of the parties that the provisions of this Employment Agreement shall be enforced to the fullest extent permissible. The invalidity or unenforceability

of any provisions of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect. In the event that any one or more of the provisions of this Employment Agreement is held to be invalid or unenforceable, the remaining terms and provisions will be unimpaired, and the invalid or unenforceable term or provision will be deemed replaced by a term or provision that is valid and enforceable and that comes closest to expressing the intention of the invalid or unenforceable term or provision. Any prohibition or finding of unenforceability as to any provision of this Agreement in any one jurisdiction will not invalidate or render unenforceable such provision in any other jurisdiction.

6.9 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which taken together shall constitute but one and the same instrument.

6.10 Attorneys' Fees. In the event any action in law or equity, arbitration or other proceeding is brought for the enforcement of this Agreement or in connection with any of the provisions of this Agreement, the prevailing party shall be entitled to his or its attorneys' fees and other costs reasonably incurred in such action or proceeding.

6.11 Entire Agreement. This Agreement, along with the Confidential Information & Invention Assignment Agreement by and between Executive and the Company of even date herewith (the "Proprietary Information Agreement"), constitutes the entire agreement of the parties and supersedes all prior written or oral and all contemporaneous oral agreements, understandings, and negotiations between the parties with respect to the subject matter hereof. This Agreement, along with the Proprietary Information Agreement, is intended by the parties as the final expression of their agreement with respect to such terms as are included herein and therein and may not be contradicted by evidence of any prior or contemporaneous agreement. The parties further intend that this Agreement, along with the Proprietary Information Agreement, constitutes the complete and exclusive statement of their terms and that no extrinsic evidence may be introduced in any judicial proceeding involving such agreements. The language used in this Agreement shall be deemed to be the language chosen by the parties hereto to express their mutual intent, and no rule of strict construction shall be applied against any party.

6.12 Assignment. This Agreement and the rights, duties, and obligations hereunder may not be assigned or delegated by any party without the prior written consent of the other party, and any attempted assignment or delegation without such prior written consent shall be void and be of no effect; provided that, in the event of the death of Executive, all rights to receive payments hereunder shall become rights of Executive's estate. Notwithstanding the foregoing provisions of this Section 6.12, the Company may assign or delegate its rights, duties, and obligations hereunder to any affiliate or to any person or entity which succeeds to all or substantially all of the business of the Company through merger, consolidation, reorganization, or other business combination or by acquisition of all or substantially all of the assets of the Company. This Agreement shall be binding upon and inure to the benefit of Executive, his heirs, executors and administrators, and this Agreement shall be binding upon and inure to the benefit of the Company, its successors and permitted assigns.

6.13 Dispute Resolution. Any controversy, dispute, claim or other matter in question arising out of or relating to the interpretation, performance or breach of this Agreement shall be governed by and interpreted in accordance with the laws of the State of California, without application of any conflict of laws provisions, and shall be enforceable in the courts of that state.

6.14 Taxes and Withholding. To the extent required or authorized to be withheld by law, the Company shall be entitled to deduct or withhold from any amounts owing from the Company to Executive any federal, state, local or

foreign withholding taxes, excise tax, or employment taxes imposed with respect to Executive's payments, benefits or compensation under this Agreement or under any other agreement. As a condition to any payment or distribution pursuant to this Agreement, the Company may require Executive to pay such sum to the Company as may be necessary to discharge its obligations with respect to any taxes, assessments or other governmental charges imposed on property or income received by Executive thereunder.

6.15 No Conflicting Obligations; Acknowledgement of Understanding and Review. Executive represents and warrants to the Company that Executive is not now under any legal restraint or obligation to any person, firm or corporation, other than the Company, that would prevent or make unlawful Executive's execution of this Agreement, and Executive further represents and warrants that Executive has no other interest which is inconsistent or in conflict with this Agreement, or which would prevent, limit, or impair, in any way, Executive's performance of any of the covenants or duties hereinabove set forth. Executive acknowledges that Executive has read and understands this Agreement, is entering into this Agreement knowingly and voluntarily, and that Executive had a reasonable period of time in which to consider this Agreement and to obtain advice from counsel of Executive's choosing.

6.16 Section 409A.

To the extent applicable, it is intended that the payments and benefits provided under this Agreement comply with the requirements of Section 409A of the Code, and this Agreement shall be interpreted in a manner consistent with this intent. Solely for purposes of determining the time and form of payments due under this Agreement or otherwise in connection with his termination of employment with the Company, Executive shall not be deemed to have incurred a termination of employment unless and until he shall incur a "separation from service" within the meaning of Section 409A of the Code.

It is intended that each payment or installment of a payment and each benefit provided under this Agreement shall be treated as a separate "payment" for purposes of Section 409A.

To the extent that the Company and Executive determine that any provision of this Agreement could reasonably be expected to result in Executive's being subject to the payment of interest or additional tax under Section 409A, the Company and Executive agree, to the extent reasonably possible as determined in good faith, to amend this Agreement, retroactively, if necessary, in order to avoid the imposition of any such interest or additional tax under Section 409A. All reimbursements and in-kind benefits provided under the Agreement shall be made or provided in accordance with the requirements of Section 409A to the extent that such reimbursements or in-kind benefits are subject to Section 409A, including, where applicable, the requirements that (i) any reimbursement is for expenses incurred during Executive's lifetime (or during a shorter period of time specified in this Agreement), (ii) the amount of expenses eligible for reimbursement during a calendar year may not affect the expenses eligible for reimbursement in any other calendar year (except that a plan providing medical or health benefits may impose a generally applicable limit on the amount that may be reimbursed or paid), (iii) the reimbursement of an eligible expense will be made on or before the last day of the calendar year following the year in which the expense is incurred and (iv) the right to reimbursement is not subject to set off or liquidation or exchange for any other benefit.

Notwithstanding any other provision in this Agreement, if as of Executive's separation from service, the Executive is a "specified employee" as determined by the Company, then to the extent any amount payable or benefit provided under this Agreement that the Company reasonably determines would be nonqualified deferred compensation

within the meaning of Section 409A of the Code, for which payment is triggered by Executive's separation from service (other than on account of death), and that under the terms of this Agreement would be payable prior to the six-month anniversary of the Executive's separation from service, such payment or benefit shall be delayed until the earlier to occur of (a) the six-month anniversary of such termination date or (b) the date of the Executive's death. In the case of taxable benefits that constitute deferred compensation, the Company, in lieu of a delay in payment, may require the Executive to pay the full costs of such benefits during the period described in the preceding sentence and reimburse that Executive for said costs within thirty (30) calendar days after the end of such period.

Nothing herein shall be construed as any guarantee by the Company of any particular tax treatment of any income or payments to Executive provided pursuant to this Agreement or other agreements or arrangements contemplated by this Agreement, and Executive remains solely responsible for all applicable taxes on such income and payments.

6.17 Section Headings. The section headings in this Agreement are for convenience only. They form no part of this Agreement and shall not affect its interpretation.

6.18 Third Party Beneficiaries. Nothing herein, expressed or implied, shall create or establish any third party beneficiary hereto nor confer upon any person not a party to this Agreement, any rights or remedies, including any right to employment or continued employment for any specified period, of any nature or kind whatsoever, under or by reason of this Agreement.

6.19 Continuing Obligations. Notwithstanding the termination of Executive's employment hereunder for any reason or anything in this Agreement to the contrary, all post-employment rights and obligations of the parties, including but not limited to those set forth in Articles III - V, and any provisions necessary to interpret or enforce those rights and obligations under any provision of this Agreement, will survive the termination or expiration of this Agreement and remain in full force and effect for the applicable periods.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

“COMPANY”

EMCORE Corporation

By: /s/ Hong Q. Hou

Hong Q. Hou

President and CEO

“EXECUTIVE”

By: /s/ Monica D. Van Berkel

Monica D. Van Berkel

EMCORE CORPORATION
CERTIFICATION PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, Hong Q. Hou, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of EMCORE Corporation ("Report");
2. Based on my knowledge, this Report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this Report;
3. Based on my knowledge, the financial statements, and other financial information included in this Report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this Report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this Report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this Report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this Report based on such evaluation; and
 - d. Disclosed in this Report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 4, 2011

By: /s/ Hong Hou
Hong Q. Hou, Ph.D.
Chief Executive Officer
(Principal Executive Officer)

EMCORE CORPORATION
CERTIFICATION PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, Mark B. Weinswig, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of EMCORE Corporation ("Report");
2. Based on my knowledge, this Report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this Report;
3. Based on my knowledge, the financial statements, and other financial information included in this Report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this Report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this Report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this Report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this Report based on such evaluation; and
 - d. Disclosed in this Report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 4, 2011

By: /s/ Mark Weinswig
Mark B. Weinswig
Chief Financial Officer
(Principal Financial and Accounting Officer)

**STATEMENT REQUIRED BY 18 U.S.C. §1350, AS ADOPTED
PURSUANT TO §906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of EMCORE Corporation (the "Company") for the quarter ended June 30, 2011, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Hong Q. Hou, Ph.D., Chief Executive Officer (Principal Executive Officer) of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- 1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- 2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: **August 4, 2011**

By: **/s/ Hong Hou**
Hong Q. Hou, Ph.D.
Chief Executive Officer
(Principal Executive Officer)

A signed original of this written statement required by Section 906 has been provided to EMCORE Corporation and will be retained by EMCORE Corporation and furnished to the Securities and Exchange Commission or its staff upon request. This certification has not been, and shall not be deemed to be, filed with the Securities and Exchange Commission.

**STATEMENT REQUIRED BY 18 U.S.C. §1350, AS ADOPTED
PURSUANT TO §906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of EMCORE Corporation (the "Company") for the quarter ended June 30, 2011, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Mark B. Weinswig, Chief Financial Officer (Principal Financial and Accounting Officer) of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- 1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- 2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: **August 4, 2011**

By: **/s/ Mark Weinswig**

Mark B. Weinswig

Chief Financial Officer

(Principal Financial and Accounting Officer)

A signed original of this written statement required by Section 906 has been provided to EMCORE Corporation and will be retained by EMCORE Corporation and furnished to the Securities and Exchange Commission or its staff upon request. This certification has not been, and shall not be deemed to be, filed with the Securities and Exchange Commission.