

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

FORM 8-K

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

Date of Report (Date of earliest event reported): **January 22, 2020**

eMagin Corporation
(Exact name of registrant as specified in charter)

Delaware
(State or other jurisdiction
of incorporation)

001-15751
(Commission
File Number)

56-1764501
(IRS Employer
Identification No.)

700 South Drive, Suite 201
Hopewell Junction, NY 12533
(Address of principal executive office)

Registrant's telephone number, including area code **(845) 838-7900**

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

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$.001 Par Value Per Share	EMAN	NYSE American

Indicate by check mark whether the registrant is an emerging growth company as defined in as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02. Results of Operations and Financial Condition.

On January 22, 2020, eMagin Corporation (the “Company”) issued a press release announcing its preliminary revenues for the fourth quarter ended December 31, 2019 and backlog of open orders as of December 31, 2019. A copy of the press release is furnished with this report as Exhibit 99.1.

The information in this Item 2.02 and Exhibit 99.1 attached to this Current Report on Form 8-K are being furnished under Item 2.02 of Form 8-K and shall not be deemed “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liability of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, except as shall be set forth by specific reference in such filing.

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

Resignation of Officer

On January 22, 2020, the Company announced that Mr. Jeffrey Lucas, the Company’s President and CFO, will resign from the Company effective February 1, 2020 to pursue another opportunity. Mr. Lucas’s resignation was not the result of any disagreement with the Company on any matter relating to the Company’s operations, policies or practices.

On January 28, 2020, the Company entered into a consulting agreement with Mr. Lucas (the “Consulting Agreement”). The Consulting Agreement provides that Mr. Lucas will provide transition services to the Company, at the rate of \$200 per hour. All services, including their anticipated time required, must be agreed to and approved in advance by the Company. In addition, on January 23, 2020, the Company also entered into an amended stock option agreement with Mr. Lucas (the “Amended Stock Option Agreement”), pursuant to which it extended *the exercise period under* certain of Mr. Lucas’ option agreements to the lesser of one year or the contractual expiration date.

The foregoing descriptions of the Consulting Agreement and the Amended Stock Option Agreement do not purport to be complete and are qualified in their entirety by reference to full text of the Consulting Agreement and the full text of the Amended Stock Option Agreement, copies of which are filed as Exhibits 10.1 and 10.2, respectively, to this Current Report on Form 8-K and incorporated by reference herein.

Appointment of Certain Officers

The Board approved that Mr. Mark Koch, the Company’s Vice President of Finance, will become the Acting Chief Financial Officer with a base salary of \$235,000 per annum effective February 1, 2020. In addition, Dr. Amal Ghosh, the Company’s Chief Technology Officer, will become the Chief Operating Officer effective February 1, 2020.

There were no arrangements or understandings between either Mr. Koch or Mr. Ghosh and any other persons pursuant to which each was selected as an officer, and there are no related person transactions within the meaning of Item 404(a) of Regulation S-K promulgated by the SEC between either Mr. Koch and the Company or Mr. Ghosh and the Company required to be disclosed herein.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

Exhibit Number	Description
10.1	Consulting Agreement between eMagin Corporation and Mr. Jeffrey P. Lucas dated January 28, 2020
10.2	Amended Stock Option Agreement between eMagin Corporation and Jeffrey P. Lucas dated January 23, 2020.
99.1	Press Release issued by eMagin Corporation dated January 22, 2020.

SIGNATURES

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

EMAGIN CORPORATION

Date: January 28, 2019

By: /s/ Andrew G. Sculley
Andrew G. Sculley, Chief Executive Officer.

CONSULTING AGREEMENT

THIS CONSULTING AGREEMENT (the “Agreement”) is made and entered into by eMagin Corporation, a Delaware corporation having a place of business at 700 South Drive, Suite 201, Hopewell Junction, New York 12533, Hopewell Junction, NY 12533 (the “Company”), and Jeffrey Lucas, an individual residing at 25 Fairmont Street, Belmont, Massachusetts 02478 (“Consultant” and, collectively, with the Company, the “Parties”). This Agreement shall become effective on the date immediately following the Separation Date as defined below (the “Effective Date”).

WHEREAS, Consultant was previously employed by the Company;

WHEREAS, Consultant’s employment with the Company shall end on February 1, 2020 (the “Separation Date”);

WHEREAS, Consultant has specialized professional expertise in the area of value to the Company;

WHEREAS, the Company desires to engage Consultant to provide outside, professional services in the areas of his professional expertise, and Consultant wishes to furnish such services, on the terms and conditions set forth herein;

WHEREAS, in furnishing the services, the Parties understand and agree that neither the Agreement nor the services provided hereunder shall constitute a service relationship for the purposes of any stock option agreement or equity incentive plan Consultant may be party to with the Company, including with respect to vesting rights which shall terminate of the Separation Date, or any other Company benefits or programs;

WHEREAS, Consultant acknowledges that any confidentiality, intellectual property assignment or restrictive covenant obligation he owes to the Company including his Noncompetition Agreement with the Company dated September 14, 2015 and his Employee Innovation and Proprietary Information Agreement with the Company dated as of September 14, 2015 (collective, the “Restricted Covenants Agreements”) shall each remain in full effect in accordance with their terms; and,

NOW THEREFORE, in consideration of the mutual covenants and promises contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the parties hereto, the parties agree as follows:

1. Resignation from Positions.

In connection with Consultant’s separation of employment from the Company, and as a condition of the Company entering into this Agreement, Consultant hereby resigns as of the Separation Date as an officer of the Company, as well as from any other director, officer or trustee positions he holds with the Company or any of the Company’s subsidiaries or entities affiliated with the Company, including but not limited to his role as Trustee of the Company’s

401(k) Plan. Consultant agrees to execute any documents reasonably requested by the Company or any controlled entities in order to effectuate such resignations.

2. Services.

(a) The Company has requested, and Consultant has agreed to perform, consulting and advising services on an as-needed basis as reasonably requested by the Company from time to time and not to exceed 80 hours per month during the Consultancy Period (as defined below) and as further described in Exhibit A attached hereto (the "Services"). All Services, including their anticipated time required, must be agreed to and approved in advance by the Company.

(b) Consultant may not subcontract or sublicense any rights or obligations under this Agreement without the prior written consent of Company.

(c) Consultant shall keep the Company fully informed concerning the progress of the Services to be performed hereunder. Consultant shall provide such reports, or participate in telephone conferences and meetings, as the Company may reasonably request.

3. Consultancy Period. This Agreement shall commence on the Effective Date and shall continue until January 31, 2021 (such period, as it may be extended by the mutual written agreement of the parties upon thirty (30) days' notice, being referred to as the "Consultancy Period"), unless sooner terminated in accordance with the provisions of Section 4.

4. Terms

(a) Consulting Fees. The Company shall pay to Consultant an hourly fee of \$200.00 per hour (the "Fees") for his pre-approved Services, payable in accordance with the Company's payroll practice on the first regular payroll date after receipt of a bi-weekly invoice of all Services performed during the previous two weeks, *provided* that such invoice shall contain sufficient details pertaining to the amount and type of Services, as may be reasonably requested by Company. Such invoice shall be provided to: eMagin Corporation Attention: Mark Koch, 700 South Drive, Suite 201, Hopewell Junction, NY 12533. The compensation paid hereunder has been determined through good faith and arms-length bargaining to be the fair market value of the Services rendered.

(b) Reimbursement of Expenses. The Company shall reimburse Consultant for all reasonable and necessary business and travel expenses incurred or paid by Consultant solely in connection with, or directly related to, the performance of Consultant's Services under this Agreement.

(c) Benefits. Consultant shall not be entitled to any benefits, coverages or privileges, including, without limitation, social security, unemployment, medical or pension payments, made available to employees of the Company.

(d) Taxes. Consultant acknowledges and agrees that Consultant is obligated to report as income all compensation received by Consultant pursuant to this Agreement, and Consultant agrees to and acknowledges the obligation to pay all taxes, including without

limitation all federal and state income tax, social security taxes and unemployment, disability insurance and workers' compensation applicable to Consultant and any person who performs Services in connection with this Agreement, and that Consultant will not be eligible for any employee benefits (nor does Consultant desire any of them) and expressly waives any entitlement to such benefits.

Compliance with Company Policies. During the Consultancy Period and until the later of the Company's public release of its audited financial statements for the fiscal year ended December 31, 2019 or for a period of three (3) months immediately following the Consultancy Period, Consultant agrees that he will continue to be bound by and adhere to the Company's policies and procedures, including the Company's Code of Ethics and Business Conduct for Officers, Directors and Employees of eMagin Corporation and the Company's policy with respect to insider trading (each attached hereto as Exhibit B).

5. Relationship of the Parties.

(a) The Parties acknowledge and agree that during the Consultancy Period Consultant's relationship with the Company shall be that of an independent contractor. This Agreement shall not be construed to create any relationship of employment, association, agency, partnership or joint venture between the Company and Consultant, nor shall it be construed to create any relationship other than that of principal and independent contractor between the Company and Consultant. The Parties acknowledge and agree that Consultant is not an employee of the Company, and the Company shall not be obligated to treat Consultant as an employee. The Company does not grant to Consultant the right or authority to make or give any agreement, statement, representation, warranty or other commitment, or to create any obligation of any kind, on behalf of the Company.

(b) Consultant shall be responsible, solely and exclusively, to comply with all of its employment obligations under law, including, without limitation, for the payments of all taxes applicable to it as an independent contractor, payment of applicable Social Security, health insurance, unemployment or disability insurance and any other obligations to meet federal, state and local legal requirements. Consultant will defend, indemnify and hold the Company harmless from and against all claims, damages, losses and expenses, including reasonable fees and expenses of attorneys and other professionals relating to any obligation imposed upon the Company to give any right (including the economic value of such right) or to pay any amount, including but not limited to, withholding taxes, social security, unemployment or disability insurance or similar items, in connection with the engagement with Consultant, or any third party.

6. Termination.

(a) By the Parties. The Company may, without prejudice to any right or remedy it may have due to any failure of Consultant to perform Consultant's obligations under this Agreement, terminate this Agreement, effective immediately upon Consultant's receipt of written notice. Consultant may terminate this Agreement for any reason upon not less than thirty (30) days' prior written notice to the Company. In the event of such termination, Consultant shall be entitled to Fees pro-rated through the effective date of termination and expenses paid or incurred prior to the effective date of termination.

(b) Consequences of Termination. Upon the expiration or termination for any reason of this Agreement, the Consultancy Period will end and Consultant agrees to immediately (i) discontinue any further Services hereunder, except to the extent that Consultant and the Company may otherwise agree in writing, and (ii) return all Company property in Consultant's possession, including, without limitation, any laptop computer or other devices, without any deletions or alterations to content.

7. Cooperation. Consultant shall use its best efforts in the performance of Consultant's obligations under this Agreement. The Company shall provide such access to its information and property as may be reasonably required in order to permit Consultant to perform Consultant's obligations hereunder, provided, however, that Consultant shall acquire no right or license in such Company information and property. Consultant shall cooperate with the Company's personnel, shall not interfere with the conduct of the Company's business and shall observe all rules, regulations and security requirements of the Company concerning the safety of persons and property.

8. Restrictive Covenants.

(a) Inventions.

(i) All inventions, ideas, discoveries, computer programs, data, technology, designs, innovations, processes, know-how, concepts, prototypes, samples, models, technical information, drawings, specifications, improvements and the like (whether or not patentable and whether or not copyrightable) ("Inventions") which are made, conceived, invented, reduced to practice, created, written, designed or developed by Consultant, solely or jointly with others and whether during normal business hours or otherwise, (A) during the Consultancy Period if related to the business of the Company or (B) after the Consultancy Period if resulting from or directly derived from Proprietary Information (as defined below), shall be the sole and exclusive property of the Company. Consultant agrees to assign, and hereby irrevocably assigns, sells, transfers and sets over to the Company and its successors and assigns all of Consultant's world-wide right, title and interest in and to the Inventions and the Invention Records (as defined below) and any and all related patents, copyrights, trademarks, trade names, trade secrets and other industrial and intellectual property rights and applications therefor, together with the rights to all income derived from said Inventions and Invention Records, including the right to sue in the name of Company for past or future infringement thereof and to recover all damages therefrom. To the extent any of Consultant's rights in the Inventions or Invention Records are not capable of assignment under applicable law or otherwise, Consultant hereby irrevocably and unconditionally waives all enforcement of such rights to the maximum extent permitted under applicable law. To the extent such waiver is deemed unenforceable under applicable law, Consultant hereby grants to the Company, an exclusive, perpetual, irrevocable, transferable, assignable, fully paid-up and royalty-free license to copy, modify, perform, display, create derivative works based on, make, have made, sell and have sold, and otherwise use in any manner, such Inventions and Invention Records, including the right to sub-license to any third party.

(ii) Consultant hereby appoints any officer of the Company as Consultant's duly authorized attorney to execute, file, prosecute and protect the Inventions and

Invention Records before any domestic or foreign government agency, court or authority. Upon the request of the Company and at the Company's expense, Consultant shall execute such further assignments, documents and other instruments as may be necessary or desirable to fully and completely assign all Inventions and Invention Records to the Company and to assist the Company in applying for, obtaining and enforcing patents or copyrights or other rights in the United States and in any foreign country with respect to any Invention or Invention Record. Consultant also hereby waives all claims to moral rights in any Inventions and Invention Records.

(iii) Consultant shall promptly disclose to the Company all Inventions and will maintain complete, adequate and current written records (in the form of notes, sketches, drawings and as may be specified by the Company) to document the conception and/or first actual reduction to practice of any Invention (collectively, "Invention Records"). Such written Invention Records shall be available to and remain the sole and exclusive property of the Company at all times. Consultant shall ensure that any and all Invention Records arising out of or in any way related to the Company, the Services or the Inventions shall not be comingled with the written records pertaining to any other project on which Consultant may be working.

(iv) Consultant shall not include any third party or pre-existing intellectual property of Consultant created outside the scope of or prior to this Agreement (collectively, "Other Inventions") in the Inventions without the prior written consent of Company. To the extent that Company grants such consent to include Other Inventions, Consultant hereby grants to the Company a perpetual, worldwide, royalty-free, irrevocable, transferable, sublicensable, assignable, license to use, copy, distribute, perform, display, maintain, modify, make, have made, sell and have sold such Other Inventions.

(b) Proprietary Information.

(i) Consultant acknowledges that Consultant's relationship with the Company is one of high trust and confidence and that in the course of Consultant's service to the Company, Consultant will have access to and contact with Proprietary Information. Consultant agrees that Consultant will not, during the Consultancy Period or at any time thereafter, disclose to others, or use for Consultant's benefit or the benefit of others, any Proprietary Information or Invention. Any Proprietary Information may only be used by Consultant solely to perform the Services for the benefit of the Company. Further, Consultant shall treat the Proprietary Information with the same degree of security and confidentiality with which it maintains its own confidential information, but in no case shall undertake less than commercially reasonable efforts to protect Proprietary Information.

(ii) For purposes of this Agreement, "Proprietary Information" shall mean, by way of illustration and not limitation, all information (whether or not patentable and whether or not copyrightable) owned, possessed or used by the Company, whether or not marked as confidential or proprietary, including, without limitation, any Invention, formula, vendor information, customer information, apparatus, equipment, trade secret, process, research, report, technical data, know-how, computer program, software, software documentation, hardware design, technology, marketing or business plan, forecast, unpublished financial statement,

budget, license, price, cost and employee list that is communicated to, learned of, developed or otherwise acquired by Consultant in the course of service as a consultant to the Company.

(iii) Consultant's obligations under this Section 6(b) shall not apply to any information that (A) is or becomes known to the general public under circumstances involving no breach by Consultant or others of the terms of this Section 6(b), (B) is generally disclosed to third parties by the Company without restriction on such third parties, or (C) is approved for release by written authorization of the Board of Directors of the Company.

(iv) Upon termination of this Agreement or at any other time upon request by the Company, Consultant shall promptly deliver to the Company all records, files, memoranda, notes, designs, data, reports, price lists, customer lists, drawings, plans, computer programs, software, software documentation, sketches, laboratory and research notebooks and other documents (and all copies or reproductions of such materials) relating to the business of the Company.

(v) Consultant represents that Consultant's retention as a consultant with the Company and Consultant's performance under this Agreement does not, and shall not, breach any agreement that obligates Consultant to keep in confidence any trade secrets or confidential or proprietary information of Consultant's or of any other party or to refrain from competing, directly or indirectly, with the business of any other party. Consultant shall not disclose to the Company any trade secrets or confidential or proprietary information of any other party.

(vi) Consultant acknowledges that the Company from time to time may have agreements with other persons or with the United States Government, or agencies thereof, that impose obligations or restrictions on the Company regarding inventions made during the course of work under such agreements or regarding the confidential nature of such work. Consultant agrees to be bound by all such obligations and restrictions that are known to Consultant and to take all action necessary to discharge the obligations of the Company under such agreements.

(vii) Consultant acknowledges and agrees that Consultant shall have no right to publish any articles, or make any public disclosures pertaining to the Inventions or the Services hereunder, or to use or disclose the name, logo or other trademark or service mark of the Company for any purpose, without the prior written consent of the Company in each instance, which may be withheld in the sole discretion of the Company.

(c) Non-Competition. Consultant acknowledges and agrees that during the Consultancy Period he shall not, directly or indirectly, whether as owner, partner, shareholder, director, manager, consultant, agent, employee, co-venturer or otherwise, anywhere in the United States or in any other country in which the Company does business, engage or otherwise participate in any business that develops, manufactures or markets any products, or performs any services, that are competitive with the products or services of the Company, or products or services that the Company or its affiliates, has under development or that are the subject of active planning at any time during his consultancy.

(d) Non-Solicitation. Consultant acknowledges and agrees that during the Consultancy Period he shall not, directly or indirectly, in any manner, solicit, entice or attempt to persuade any employee or consultant of the Company to leave the Company for any reason or otherwise participate in or facilitate the hire, directly or through another entity, of any person who is then employed or engaged by the Company.

(e) Remedies. Consultant acknowledges that any breach of the provisions of this Section 8 shall result in serious and irreparable injury to the Company for which the Company cannot be adequately compensated by monetary damages alone. Consultant agrees, therefore, that, in addition to any other remedy it may have, the Company shall be entitled to enforce the specific performance of this Agreement by Consultant and to seek and obtain both temporary and permanent injunctive relief (to the extent permitted by law) without the necessity of proving actual damages or posting bond.

9. Indemnification.

(a) The Company shall defend, indemnify and forever hold Consultant harmless from any claims, demands or causes of action which may hereafter, or at any time, be made or brought against Consultant by any other person or entity in any way arising out of Consultant's performance of services pursuant to this Agreement, except to the extent of Consultant's bad faith, willful misconduct, gross negligence or material breach of this Agreement or the Restrictive Covenants Agreements.

(b) Consultant shall defend, indemnify and forever hold the Company harmless (i) from any claims, demands or causes of action which may hereafter, or at any time, be made or brought against it by any third party in any way arising out of actions taken or omitted to be taken by Consultant in bad faith, that constitutes Consultant's willful misconduct or gross negligence, or in material breach of any representation, warranty, certification, covenant, obligation or other agreement set forth in this Agreement or the Restrictive Covenants Agreements; or, (ii) to the extent of any obligation imposed on the Company (A) to pay withholding taxes or similar items or (B) resulting from Consultant's being determined not to be an independent contractor.

10. Miscellaneous.

(a) Entire Agreement. This Agreement constitutes the entire agreement between the Parties and supersedes all prior agreements and understandings, whether written or oral, relating to the subject matter of this Agreement, *provided* that this Agreement shall not affect the Restrictive Covenants Agreements and any equity incentive plans and associated award agreements, including but not limited to the 2011 Incentive Stock Plan, the 2013 Stock Incentive Plan, the 2015 Employee Nonstatutory Stock Option Agreement and the 2016 Employee Nonstatutory Stock Option Agreement, all as may be amended, that may exist all of which remain in full force and effect.

(b) Notices. All notices, statements and reports required or contemplated herein by one Party to the other shall be in writing and shall be effective (i) if mailed, seven (7) business days after mailing with registered mail, (ii) if sent by messenger, upon receipt, and (iii)

if sent via facsimile or e-mail, upon transmission and electronic confirmation of receipt or (if transmitted and received on a non-business day) on the first business day following transmission and electronic confirmation of receipt. The initial addresses of the parties for purposes of this Agreement are as set forth in the preamble.

(c) Amendment. This Agreement may be amended or modified only by a written instrument executed by both the Company and Consultant.

(d) Governing Law. This Agreement and any claims arising directly or indirectly from it shall be governed by the laws of the State of New York. Any disputes related hereto shall be resolved exclusively by the state and federal courts of the State of New York and each party hereto hereby consents to the jurisdiction of such courts.

(e) Successors and Assigns. This Agreement shall be binding upon, and inure to the benefit of, both parties and their respective successors and assigns (including Consultant's heirs in the event of his death), including any corporation with which, or into which, the Company may be merged or which may succeed to its assets or business, provided, however, that the obligations of Consultant are personal and shall not be assigned by Consultant.

(f) No Waiver. No delay or omission by the Company in exercising any right under this Agreement shall operate as a waiver of that or any other right. A waiver or consent given by the Company on any one occasion shall be effective only in that instance and shall not be construed as a bar or waiver of any right on any other occasion.

(g) Headings. The captions of the sections of this Agreement are for convenience of reference only and in no way define, limit or affect the scope or substance of any section of this Agreement.

(h) Severability. In the event that any provision of this Agreement shall be invalid, illegal or otherwise unenforceable, the validity, legality and enforceability of the remaining provisions shall in no way be affected or impaired thereby.

(i) Counterparts. This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original, and all of which taken together shall constitute one and the same agreement. The parties agree that signatures exchanged via PDF shall be effective to consummate this Agreement.

[end of text]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year set forth below.

EMAGIN CORPORATION

By: /s/ Andrew G. Sculley
Name: Andrew G. Sculley
Title: Chief Executive Officer
Date: January 28, 2020

JEFFREY LUCAS

By: /s/ Jeffrey L. Lucas
Name: Jeffrey L. Lucas
Title:
Date: January 28, 2020

EXHIBIT A

Services

- Assist as needed in the following areas:**
 - Transitional services associated with former duties as the Company's President and Chief Financial Officer. These include, but are not limited to:
 - Assistance with the SUGA arbitration matter
 - Assistance with investor relations
 - Assistance with 2019 Form 10-K filing, including but not limited to advice over email and telephone.
 - Other services or special projects as specifically requested and agreed upon.
-

EXHIBIT B

Insider Trading Policy

DO NOT ENGAGE IN SPECULATIVE OR INSIDER TRADING

Federal law and Company policy prohibits officers, directors and employees, or consultants directly or indirectly through their families or others, from purchasing or selling company stock while in the possession of material, non-public information concerning the Company.

Material, non-public information is any information that could reasonably be expected to affect the price of a stock. If an officer, director or employee, or consultant is considering buying or selling a stock because of inside information they possess, they should assume that such information is material. It is also important for the officer, director, employee or consultant to keep in mind that if any trade they make becomes the subject of an investigation by the government, the trade will be viewed after-the-fact with the benefit of hindsight. Consequently, officers, directors and employees should always carefully consider how their trades would look from this perspective.

STOCK OPTION Amendment

This STOCK OPTION AMENDMENT (this “*Amendment*”) is made and entered into as January 23, 2020, by and between EMAGIN CORPORATION, a Delaware corporation (the “*Company*”), and Jeffrey Lucas (“*Optionee*”):

RECITALS

WHEREAS, on September 14, 2015, the Company granted Mr. Lucas a Nonstatutory Stock Option to purchase 75,000 shares of common stock of the Company (the “*2015 Option*”) pursuant to the 2013 Stock Incentive Plan (the “*2013 Plan*”) and the Employee Nonstatutory Stock Option Agreement attached as Appendix A hereto (the “*2015 Option Agreement*”).

WHEREAS, on August 12, 2016, the Company granted Mr. Lucas a Nonstatutory Stock Option to purchase 100,000 shares of common stock of the Company (together with the 2015 Option, the “*Options*”) pursuant to the 2011 Incentive Stock Plan (together with the 2013 Plan, the “*Plans*”) and the Employee Nonstatutory Stock Option Agreement attached as Appendix B hereto (together with the 2015 Option Agreement, the “*Option Agreements*”).

WHEREAS, as pursuant to the Plans, the Board of Directors of the Company may modify stock options granted under the Plans (to the extent not theretofore exercised), subject at all times to the Plans and the Internal Revenue Code of 1986, as amended.

WHEREAS, the parties hereto desire to amend the Option Agreements to extend the right to exercise the Options, to the extent vested as of the date of termination of Mr. Lucas’ employment with the Company, until the earlier of the remaining term of the applicable Option or January 31, 2021.

AMENDMENT

NOW THEREFORE, in consideration of the foregoing premises and for other good and valuable consideration, the receipt and sufficiency of which the parties hereto acknowledge, the Company and Optionee agree as follows:

1. Amendment of Section 7. Section 7 of the Option Agreements shall be amended to read, in its entirety as follows:

7. Termination of Employment. If Optionee shall cease to be employed by the Company for any reason, whether voluntarily or involuntarily, other than by his or her death, Optionee (or if the Optionee shall die after such termination, but prior to such exercise date, Optionee’s personal representative or the person entitled to succeed to the

Option) shall have the right until the earlier of the original expiration date of the Option or January 31, 2021 to exercise in whole or in part this Option to the extent, but only to the extent, that this Option was exercisable as of the date of termination of employment and had not previously been exercised.

2. No Further Amendment. Except as expressly amended hereby (a) the Option Agreements shall be and remain in full force and effect and (b) the provisions of the Option Agreements (as amended hereby) are incorporated herein by reference.
3. Governing Law. This Amendment shall be governed by and construed in accordance with the law of the State of Delaware, without giving effect to its conflicts or choice of law provisions.

In Witness Whereof, the parties hereto have executed this Amendment as of the date first above written.

COMPANY:

EMAGIN CORPORATION
a Delaware corporation

By: /s/ Andrew G. Sculley

Name:	Andrew G.
Sculley	
Title:	Chief
Executive Officer	

OPTIONEE:

By: /s/ Jeffrey L. Lucas

Name:	Jeffrey L.
Lucas	

**EMAGIN CORPORATION
EMPLOYEE NONSTATUTORY STOCK OPTION AGREEMENT**

This Employee Nonstatutory Stock Option Agreement (“*Agreement*”) is made and entered into as of the date set forth below in Section 1(a), by and between EMAGIN CORPORATION, a Delaware corporation (the “*Company*”), and the employee of the Company named in Section 1(b) below (“*Optionee*”):

In consideration of the covenants herein set forth, the parties hereto agree as follows:

1. Option Information

(a)	Date of Option:	09/14/2015
(b)	Optionee:	Lucas, Jeffrey
(c)	Number of Shares:	75,000
(d)	Exercise Price:	\$2.50
(e)	Vesting Schedule:	1/3 Annually on Anniversary Date
(f)	Grant No.:	1207

2. Acknowledgements.

(a) Optionee is an employee of the Company.

(b) The Board of Directors of the Company (the “*Board*,” which term shall include any authorized committee of the Board of Directors) and shareholders of the Company have heretofore adopted a 2013 Incentive Stock Plan (the “*Plan*”), pursuant to which this Option is being granted; and

(c) The Board has authorized the granting to Optionee of a nonstatutory stock option (“*Option*”) to purchase shares of common stock of the Company (“*Stock*”) upon the terms and conditions hereinafter stated and pursuant to an exemption from registration under the Securities Act of 1933, as amended (the “*Securities Act*”), provided by Rule 701 promulgated thereunder.

3. Shares; Price. Company hereby grants to Optionee the right to purchase, upon and subject to the terms and conditions herein stated, the number of shares of Stock set forth in

Section 1(c) above (the “**Shares**”) for cash or by check, or other consideration as is acceptable to the Board, in their sole and absolute discretion and in accordance with the Plan, at the price per Share set forth in Section 1(d) above (the “**Exercise Price**”).

4. Term of Option; Continuation of Service. This Option shall expire, and all rights of Optionee hereunder to purchase the Shares shall terminate, Five (5) years from the date hereof. This Option shall earlier terminate subject to Sections 7 and 8 hereof upon, and as of the date of, the termination of Optionee’s employment if such termination occurs prior to the end of such Five (5) year period. Nothing contained herein shall confer upon Optionee the right to the continuation of his or her employment by the Company or to interfere with the right of the Company to terminate such employment or to increase or decrease the compensation of Optionee from the rate in existence at the date hereof.

5. Vesting of Option. Subject to the provisions of Sections 7 and 8 hereof, this Option shall become exercisable during the term of Optionee’s employment according to terms deemed acceptable to the Board in its sole and absolute discretion according to the schedule set forth in Section 1(e) above (the “**Vesting Schedule**”). Notwithstanding the foregoing, in the event of a proposed merger or consolidation in which the Company is not the surviving entity, a sale of all or substantially all of the assets or capital stock of the Company, or any change in the ownership of more than fifty percent (50%) of the voting capital stock of the Company (collectively, a “**Change of Control**”), any unvested portion of this Option shall become fully vested and immediately exercisable two (2) business days prior to the occurrence of such Change of Control.

6. Exercise. This Option shall be exercised by delivery to the Company of (a) written notice of exercise stating the number of Shares being purchased (in whole shares only) and such other information set forth on the form of Notice of Exercise attached hereto as Appendix A, (b) a check or cash in the amount of the Exercise Price of the Shares covered by the notice (or such other consideration as has been approved by the Board consistent with the Plan) and (c) a written investment representation as provided for in Section 13 hereof.

7. Termination of Employment. If Optionee shall cease to be employed by the Company for any reason, whether voluntarily or involuntarily, other than by his or her death, Optionee (or if the Optionee shall die after such termination, but prior to such exercise date, Optionee’s personal representative or the person entitled to succeed to the Option) shall have the right during the period of not less than thirty (30) days nor more than three (3) months following such termination of employment or the remaining term of this Option, whichever is the lesser, to exercise in whole or in part this Option to the extent, but only to the extent, that this Option was exercisable as of the date of termination of employment and had not previously been exercised; provided, however: (i) if Optionee is permanently disabled (within the meaning of Section 22(e)(3) of the Code) at the time of termination, the foregoing three (3) month period shall be extended to six (6) months; or (ii) if Optionee’s employment with the Company is terminated “for cause”, or by the terms of the Plan or this Option Agreement or by any employment agreement between the Optionee and the Company, this Option shall automatically terminate as to all Shares covered by this Option not exercised prior to

termination. Unless earlier terminated, all rights under this Option shall terminate in any event on the expiration date of this Option as defined in Section 4 hereof.

8. Death of Optionee. If the Optionee shall die while in the employ of the Company, Optionee's personal representative or the person entitled to Optionee's rights hereunder may at any time within six (6) months after the date of Optionee's death, or during the remaining term of this Option, whichever is the lesser, exercise this Option and purchase Shares to the extent, but only to the extent, that Optionee could have exercised this Option as of the date of Optionee's death; provided, in any case, that this Option may be so exercised only to the extent that this Option has not previously been exercised by Optionee.

9. No Rights as Shareholder. Optionee shall have no rights as a shareholder with respect to the Shares covered by any installment of this Option until the effective date of issuance of the Shares following exercise of this Option, and no adjustment will be made for dividends or other rights for which the record date is prior to the date such stock certificate or certificates are issued except as provided in Section 10 hereof.

10. Recapitalization. Subject to any required action by the shareholders of the Company, the number of Shares covered by this Option, and the Exercise Price thereof, shall be proportionately adjusted for any increase or decrease in the number of issued shares resulting from a subdivision or consolidation of shares or the payment of a stock dividend, or any other increase or decrease in the number of such shares effected without receipt of consideration by the Company; provided, however, that the conversion of any convertible securities of the Company shall not be deemed having been "effected without receipt of consideration by the Company".

In the event of a proposed dissolution or liquidation of the Company, a merger or consolidation in which the Company is not the surviving entity, or a sale of all or substantially all of the assets or capital stock of the Company (collectively, a "**Reorganization**"), unless otherwise provided by the Board, this Option shall terminate immediately prior to such date as is determined by the Board, which date shall be no later than the consummation of such Reorganization. In such event, if the entity which shall be the surviving entity does not tender to Optionee an offer, for which it has no obligation to do so, to substitute for any unexercised Option a stock option or capital stock of such surviving of such surviving entity, as applicable, which on an equitable basis shall provide the Optionee with substantially the same economic benefit as such unexercised Option, then the Board may grant to such Optionee, in its sole and absolute discretion and without obligation, the right for a period commencing thirty (30) days prior to and ending immediately prior to the date determined by the Board pursuant hereto for termination of the Option or during the remaining term of the Option, whichever is the lesser, to exercise any unexpired Option or Options without regard to the Vesting Schedule; provided, however, that such exercise shall be subject to the consummation of such Reorganization.

Subject to any required action by the shareholders of the Company, if the Company shall be the surviving entity in any merger or consolidation, this Option thereafter shall pertain to and apply to the securities to which a holder of Shares equal to the Shares subject to this

Option would have been entitled by reason of such merger or consolidation, and the Vesting Schedule shall continue to apply.

In the event of a change in the shares of the Company as presently constituted, which is limited to a change of all of its authorized Stock without par value into the same number of shares of Stock with a par value, the shares resulting from any such change shall be deemed to be the Shares within the meaning of this Option.

To the extent that the foregoing adjustments relate to shares or securities of the Company, such adjustments shall be made by the Board, whose determination in that respect shall be final, binding and conclusive. Except as hereinbefore expressly provided, Optionee shall have no rights by reason of any subdivision or consolidation of shares of Stock of any class or the payment of any stock dividend or any other increase or decrease in the number of shares of stock of any class, and the number and price of Shares subject to this Option shall not be affected by, and no adjustments shall be made by reason of, any dissolution, liquidation, merger, consolidation or sale of assets or capital stock, or any issue by the Company of shares of stock of any class or securities convertible into shares of stock of any class.

The grant of this Option shall not affect in any way the right or power of the Company to make adjustments, reclassifications, reorganizations or changes in its capital or business structure or to merge, consolidate, dissolve or liquidate or to sell or transfer all or any part of its business or assets.

11. Taxation upon Exercise of Option. Optionee understands that, upon exercise of this Option, Optionee will recognize income, for Federal and state income tax purposes, in an amount equal to the amount by which the fair market value of the Shares, determined as of the date of exercise, exceeds the Exercise Price. The acceptance of the Shares by Optionee shall constitute an agreement by Optionee to report such income in accordance with then applicable law and to cooperate with Company in establishing the amount of such income and corresponding deduction to the Company for its income tax purposes. As a condition to the exercise of this Option, any federal or state income or employment tax obligations arising from the exercise of this Option will be satisfied by Optionee by payment made in cash or by check to the Company immediately upon exercise of this Option to cover such liability.

12. Modification, Extension and Renewal of Options. The Board or Committee, as described in the Plan, may modify, extend or renew this Option or accept the surrender thereof (to the extent not theretofore exercised) and authorize the granting of a new option in substitution therefore (to the extent not theretofore exercised), subject at all times to the Plan and the Code. Notwithstanding the foregoing provisions of this Section 12, no modification shall, without the consent of the Optionee, alter to the Optionee's detriment or impair any rights of Optionee hereunder.

13. Investment Intent; Restrictions on Transfer.

(a) Optionee represents and agrees that if Optionee exercises this Option in whole or in part, Optionee will in each case acquire the Shares upon such exercise for the

purpose of investment and not with a view to, or for resale in connection with, any distribution thereof; and that upon such exercise of this Option in whole or in part, Optionee (or any person or persons entitled to exercise this Option under the provisions of Sections 7 and 8 hereof) shall furnish to the Company a written statement to such effect, satisfactory to the Company in form and substance. If the Shares represented by this Option are registered under the Securities Act, either before or after the exercise of this Option in whole or in part, the Optionee shall be relieved of the foregoing investment representation and agreement and shall not be required to furnish the Company with the foregoing written statement.

(b) Optionee further represents that Optionee has had access to the financial statements or books and records of the Company, has had the opportunity to ask questions of the Company concerning its business, operations and financial condition, and to obtain additional information reasonably necessary to verify the accuracy of such information.

(c) Unless and until the Shares represented by this Option are registered under the Securities Act, all certificates representing the Shares and any certificates subsequently issued in substitution therefor and any certificate for any securities issued pursuant to any stock split, share reclassification, stock dividend or other similar capital event shall bear legends in substantially the following form:

THESE SECURITIES HAVE NOT BEEN REGISTERED OR OTHERWISE QUALIFIED UNDER THE SECURITIES ACT OF 1933 (THE "SECURITIES ACT") OR UNDER THE APPLICABLE OR SECURITIES LAWS OF ANY STATE. NEITHER THESE SECURITIES NOR ANY INTEREST THEREIN MAY BE SOLD, TRANSFERRED, PLEDGED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF REGISTRATION UNDER THE SECURITIES ACT OR ANY APPLICABLE SECURITIES LAWS OF ANY STATE, UNLESS PURSUANT TO EXEMPTIONS THEREFROM.

THE SHARES REPRESENTED BY THIS CERTIFICATE HAVE BEEN ISSUED PURSUANT TO THAT CERTAIN NONSTATUTORY STOCK OPTION AGREEMENT DATED _____ BETWEEN THE COMPANY AND THE ISSUEE WHICH RESTRICTS THE TRANSFER OF THESE SHARES WHICH ARE SUBJECT TO REPURCHASE BY THE COMPANY UNDER CERTAIN CONDITIONS.

and/or such other legend or legends as the Company and its counsel deem necessary or appropriate. Appropriate stop transfer instructions with respect to the Shares have been placed with the Company's transfer agent.

14. Effects of Early Disposition. Optionee understands that if an Optionee disposes of shares acquired hereunder within two (2) years after the date of this Option or within one (1) year after the date of issuance of such shares to Optionee, such Optionee will be treated for income tax purposes as having received ordinary income at the time of such disposition of an amount generally measured by the difference between the purchase price and the fair

market value of such stock on the date of exercise, subject to adjustment for any tax previously paid, in addition to any tax on the difference between the sales price and Optionee's adjusted cost basis in such shares. The foregoing amount may be measured differently if Optionee is an officer, director or ten percent holder of the Company. Optionee agrees to notify the Company within ten (10) working days of any such disposition.

15. Stand-off Agreement. Optionee agrees that, in connection with any registration of the Company's securities under the Securities Act, and upon the request of the Company or any underwriter managing an underwritten offering of the Company's securities, Optionee shall not sell, short any sale of, loan, grant an option for, or otherwise dispose of any of the Shares (other than Shares included in the offering) without the prior written consent of the Company or such managing underwriter, as applicable, for a period of at least one year following the effective date of registration of such offering.

16. Restriction upon Transfer. The Shares may not be sold, transferred or otherwise disposed of and shall not be pledged or otherwise hypothecated by the Optionee except as hereinafter provided.

(a) *Permitted Transfers.* Notwithstanding any provisions in this Agreement to the contrary, the Optionee may transfer Shares subject to this Agreement to his or her parents, spouse, children, or grandchildren, or a trust for the benefit of the Optionee or any such transferee(s); provided, that such permitted transferee(s) shall hold the Shares subject to all the provisions of this Agreement (all references to the Optionee herein shall in such cases refer *mutatis mutandis* to the permitted transferee and provided that notwithstanding any other provisions in this Agreement, a permitted transferee may not, in turn, make permitted transfers without the written consent of the Optionee and the Company.

17. Notices. Any notice required to be given pursuant to this Option or the Plan shall be in writing and shall be deemed to be delivered upon receipt or, in the case of notices by the Company, five (5) days after deposit in the U.S. mail, postage prepaid, addressed to Optionee at the address last provided by Optionee for his or her employee records.

18. Agreement Subject to Plan; Applicable Law. This Option is made pursuant to the Plan and shall be interpreted to comply therewith. Capitalized terms used herein but not otherwise defined shall have the meanings ascribed to such terms in the Plan. A copy of such Plan is available to Optionee, at no charge, at the principal office of the Company. Any provision of this Option inconsistent with the Plan shall be considered void and replaced with the applicable provision of the Plan. This Option has been granted, executed and delivered in the State of Delaware, and the interpretation and enforcement shall be governed by the laws thereof and subject to the exclusive jurisdiction of the courts therein.

[Signature Page Follows]

In Witness Whereof, the parties hereto have executed this Option as of the date first above written in Section 1(a).

COMPANY:

EMAGIN CORPORATION
a Delaware corporation

By:

Name:

Andrew G.

Sculley

Title:

Chief

Executive Officer

OPTIONEE:

By:

(signature)

Name:

Appendix A

NOTICE OF EXERCISE

EMAGIN CORPORATION

Re: Nonstatutory Stock Option

Notice is hereby given pursuant to Section 6 of my Nonstatutory Stock Option Agreement that I elect to purchase the number of shares set forth below at the exercise price set forth in my option agreement:

Nonstatutory Stock Option Agreement dated: _____

Number of shares being purchased: _____

Exercise Price: \$ _____

A check in the amount of the aggregate price of the shares being purchased is attached.

I hereby confirm that such shares are being acquired by me for my own account for investment purposes, and not with a view to, or for resale in connection with, any distribution thereof. I will not sell or dispose of my Shares in violation of the Securities Act of 1933, as amended, or any applicable federal or state securities laws. Further, I understand that the exemption from taxable income at the time of exercise is dependent upon my holding such stock for a period of at least one year from the date of exercise and two years from the date of grant of the Option.

I understand that the certificate representing the Option Shares will bear a restrictive legend within the contemplation of the Securities Act and as required by such other state or federal law or regulation applicable to the issuance or delivery of the Option Shares.

I agree to provide to the Company such additional documents or information as may be required pursuant to the Company's 2013 Incentive Stock Plan.

By:

(signature)

Name:

APPENDIX B

EMAGIN CORPORATION
EMPLOYEE NONSTATUTORY STOCK OPTION AGREEMENT

This Employee Nonstatutory Stock Option Agreement (“*Agreement*”) is made and entered into as of the date set forth below in Section 1(a), by and between EMAGIN CORPORATION, a Delaware corporation (the “*Company*”), and the employee of the Company named in Section 1(b) below (“*Optionee*”):

In consideration of the covenants herein set forth, the parties hereto agree as follows:

1. Option Information.

(a)	Date of Option:	08/12/2016
(b)	Optionee:	Lucas, Jeffrey
(c)	Number of Shares:	100,000
(d)	Exercise Price:	\$2.66
(e)	Vesting Schedule:	20% on grant date, 20% Annually on
(f)	Grant No.:	Anniversary Date 1230

2. Acknowledgements.

(a) Optionee is an employee of the Company.

(b) The Board of Directors of the Company (the “*Board*,” which term shall include any authorized committee of the Board of Directors) and shareholders of the Company have heretofore adopted a 2011 Incentive Stock Plan (the “*Plan*”), pursuant to which this Option is being granted; and

(c) The Board has authorized the granting to Optionee of a nonstatutory stock option (“*Option*”) to purchase shares of common stock of the Company (“*Stock*”) upon the terms and conditions hereinafter stated and pursuant to an exemption from registration under the Securities Act of 1933, as amended (the “*Securities Act*”), provided by Rule 701 promulgated thereunder.

3. Shares; Price. Company hereby grants to Optionee the right to purchase, upon and subject to the terms and conditions herein stated, the number of shares of Stock set forth in Section 1(c) above (the “*Shares*”) for cash or by check, or other consideration as is acceptable to the Board, in their sole and absolute discretion and in accordance with the Plan, at the price per Share set forth in Section 1(d) above (the “*Exercise Price*”).

4. Term of Option; Continuation of Service. This Option shall expire, and all rights of Optionee hereunder to purchase the Shares shall terminate, Seven (7) years from the date hereof. This Option shall earlier terminate subject to Sections 7 and 8 hereof upon, and as of the date of, the termination of Optionee's employment if such termination occurs prior to the end of such Seven (7) year period. Nothing contained herein shall confer upon Optionee the right to the continuation of his or her employment by the Company or to interfere with the right of the Company to terminate such employment or to increase or decrease the compensation of Optionee from the rate in existence at the date hereof.

5. Vesting of Option. Subject to the provisions of Sections 7 and 8 hereof, this Option shall become exercisable during the term of Optionee's employment according to terms deemed acceptable to the Board in its sole and absolute discretion according to the schedule set forth in Section 1(e) above (the "***Vesting Schedule***"). Notwithstanding the foregoing, in the event of a proposed merger or consolidation in which the Company is not the surviving entity, a sale of all or substantially all of the assets or capital stock of the Company, or any change in the ownership of more than fifty percent (50%) of the voting capital stock of the Company (collectively, a "***Change of Control***"), any unvested portion of this Option shall become fully vested and immediately exercisable two (2) business days prior to the occurrence of such Change of Control.

6. Exercise. This Option shall be exercised by delivery to the Company of (a) written notice of exercise stating the number of Shares being purchased (in whole shares only) and such other information set forth on the form of Notice of Exercise attached hereto as Appendix A, (b) a check or cash in the amount of the Exercise Price of the Shares covered by the notice (or such other consideration as has been approved by the Board consistent with the Plan) and (c) a written investment representation as provided for in Section 13 hereof.

7. Termination of Employment. If Optionee shall cease to be employed by the Company for any reason, whether voluntarily or involuntarily, other than by his or her death, Optionee (or if the Optionee shall die after such termination, but prior to such exercise date, Optionee's personal representative or the person entitled to succeed to the Option) shall have the right during the period of not less than thirty (30) days nor more than three (3) months following such termination of employment or the remaining term of this Option, whichever is the lesser, to exercise in whole or in part this Option to the extent, but only to the extent, that this Option was exercisable as of the date of termination of employment and had not previously been exercised; provided, however: (i) if Optionee is permanently disabled (within the meaning of Section 22(e)(3) of the Code) at the time of termination, the foregoing three (3) month period shall be extended to six (6) months; or (ii) if Optionee's employment with the Company is terminated "for cause", or by the terms of the Plan or this Option Agreement or by any employment agreement between the Optionee and the Company, this Option shall automatically terminate as to all Shares covered by this Option not exercised prior to termination. Unless earlier terminated, all rights under this Option shall terminate in any event on the expiration date of this Option as defined in Section 4 hereof.

8. Death of Optionee. If the Optionee shall die while in the employ of the Company, Optionee's personal representative or the person entitled to Optionee's rights hereunder may

at any time within six (6) months after the date of Optionee's death, or during the remaining term of this Option, whichever is the lesser, exercise this Option and purchase Shares to the extent, but only to the extent, that Optionee could have exercised this Option as of the date of Optionee's death; provided, in any case, that this Option may be so exercised only to the extent that this Option has not previously been exercised by Optionee.

9. No Rights as Shareholder. Optionee shall have no rights as a shareholder with respect to the Shares covered by any installment of this Option until the effective date of issuance of the Shares following exercise of this Option, and no adjustment will be made for dividends or other rights for which the record date is prior to the date such stock certificate or certificates are issued except as provided in Section 10 hereof.

10. Recapitalization. Subject to any required action by the shareholders of the Company, the number of Shares covered by this Option, and the Exercise Price thereof, shall be proportionately adjusted for any increase or decrease in the number of issued shares resulting from a subdivision or consolidation of shares or the payment of a stock dividend, or any other increase or decrease in the number of such shares effected without receipt of consideration by the Company; provided, however, that the conversion of any convertible securities of the Company shall not be deemed having been "effected without receipt of consideration by the Company".

In the event of a proposed dissolution or liquidation of the Company, a merger or consolidation in which the Company is not the surviving entity, or a sale of all or substantially all of the assets or capital stock of the Company (collectively, a "**Reorganization**"), unless otherwise provided by the Board, this Option shall terminate immediately prior to such date as is determined by the Board, which date shall be no later than the consummation of such Reorganization. In such event, if the entity which shall be the surviving entity does not tender to Optionee an offer, for which it has no obligation to do so, to substitute for any unexercised Option a stock option or capital stock of such surviving of such surviving entity, as applicable, which on an equitable basis shall provide the Optionee with substantially the same economic benefit as such unexercised Option, then the Board may grant to such Optionee, in its sole and absolute discretion and without obligation, the right for a period commencing thirty (30) days prior to and ending immediately prior to the date determined by the Board pursuant hereto for termination of the Option or during the remaining term of the Option, whichever is the lesser, to exercise any unexpired Option or Options without regard to the Vesting Schedule; provided, however, that such exercise shall be subject to the consummation of such Reorganization.

Subject to any required action by the shareholders of the Company, if the Company shall be the surviving entity in any merger or consolidation, this Option thereafter shall pertain to and apply to the securities to which a holder of Shares equal to the Shares subject to this Option would have been entitled by reason of such merger or consolidation, and the Vesting Schedule shall continue to apply.

In the event of a change in the shares of the Company as presently constituted, which is limited to a change of all of its authorized Stock without par value into the same number of

shares of Stock with a par value, the shares resulting from any such change shall be deemed to be the Shares within the meaning of this Option.

To the extent that the foregoing adjustments relate to shares or securities of the Company, such adjustments shall be made by the Board, whose determination in that respect shall be final, binding and conclusive. Except as hereinbefore expressly provided, Optionee shall have no rights by reason of any subdivision or consolidation of shares of Stock of any class or the payment of any stock dividend or any other increase or decrease in the number of shares of stock of any class, and the number and price of Shares subject to this Option shall not be affected by, and no adjustments shall be made by reason of, any dissolution, liquidation, merger, consolidation or sale of assets or capital stock, or any issue by the Company of shares of stock of any class or securities convertible into shares of stock of any class.

The grant of this Option shall not affect in any way the right or power of the Company to make adjustments, reclassifications, reorganizations or changes in its capital or business structure or to merge, consolidate, dissolve or liquidate or to sell or transfer all or any part of its business or assets.

11. Taxation upon Exercise of Option. Optionee understands that, upon exercise of this Option, Optionee will recognize income, for Federal and state income tax purposes, in an amount equal to the amount by which the fair market value of the Shares, determined as of the date of exercise, exceeds the Exercise Price. The acceptance of the Shares by Optionee shall constitute an agreement by Optionee to report such income in accordance with then applicable law and to cooperate with Company in establishing the amount of such income and corresponding deduction to the Company for its income tax purposes. As a condition to the exercise of this Option, any federal or state income or employment tax obligations arising from the exercise of this Option will be satisfied by Optionee by payment made in cash or by check to the Company immediately upon exercise of this Option to cover such liability.

12. Modification, Extension and Renewal of Options. The Board or Committee, as described in the Plan, may modify, extend or renew this Option or accept the surrender thereof (to the extent not theretofore exercised) and authorize the granting of a new option in substitution therefore (to the extent not theretofore exercised), subject at all times to the Plan and the Code. Notwithstanding the foregoing provisions of this Section 12, no modification shall, without the consent of the Optionee, alter to the Optionee's detriment or impair any rights of Optionee hereunder.

13. Investment Intent; Restrictions on Transfer.

(a) Optionee represents and agrees that if Optionee exercises this Option in whole or in part, Optionee will in each case acquire the Shares upon such exercise for the purpose of investment and not with a view to, or for resale in connection with, any distribution thereof; and that upon such exercise of this Option in whole or in part, Optionee (or any person or persons entitled to exercise this Option under the provisions of Sections 7 and 8 hereof) shall furnish to the Company a written statement to such effect, satisfactory to the Company in form and substance. If the Shares represented by this Option are registered under the

Securities Act, either before or after the exercise of this Option in whole or in part, the Optionee shall be relieved of the foregoing investment representation and agreement and shall not be required to furnish the Company with the foregoing written statement.

(b) Optionee further represents that Optionee has had access to the financial statements or books and records of the Company, has had the opportunity to ask questions of the Company concerning its business, operations and financial condition, and to obtain additional information reasonably necessary to verify the accuracy of such information.

(c) Unless and until the Shares represented by this Option are registered under the Securities Act, all certificates representing the Shares and any certificates subsequently issued in substitution therefor and any certificate for any securities issued pursuant to any stock split, share reclassification, stock dividend or other similar capital event shall bear legends in substantially the following form:

THESE SECURITIES HAVE NOT BEEN REGISTERED OR OTHERWISE QUALIFIED UNDER THE SECURITIES ACT OF 1933 (THE "SECURITIES ACT") OR UNDER THE APPLICABLE OR SECURITIES LAWS OF ANY STATE. NEITHER THESE SECURITIES NOR ANY INTEREST THEREIN MAY BE SOLD, TRANSFERRED, PLEDGED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF REGISTRATION UNDER THE SECURITIES ACT OR ANY APPLICABLE SECURITIES LAWS OF ANY STATE, UNLESS PURSUANT TO EXEMPTIONS THEREFROM.

THE SHARES REPRESENTED BY THIS CERTIFICATE HAVE BEEN ISSUED PURSUANT TO THAT CERTAIN NONSTATUTORY STOCK OPTION AGREEMENT DATED _____ BETWEEN THE COMPANY AND THE ISSUEE WHICH RESTRICTS THE TRANSFER OF THESE SHARES WHICH ARE SUBJECT TO REPURCHASE BY THE COMPANY UNDER CERTAIN CONDITIONS.

and/or such other legend or legends as the Company and its counsel deem necessary or appropriate. Appropriate stop transfer instructions with respect to the Shares have been placed with the Company's transfer agent.

14. Effects of Early Disposition. Optionee understands that if an Optionee disposes of shares acquired hereunder within two (2) years after the date of this Option or within one (1) year after the date of issuance of such shares to Optionee, such Optionee will be treated for income tax purposes as having received ordinary income at the time of such disposition of an amount generally measured by the difference between the purchase price and the fair market value of such stock on the date of exercise, subject to adjustment for any tax previously paid, in addition to any tax on the difference between the sales price and Optionee's adjusted cost basis in such shares. The foregoing amount may be measured differently if Optionee is an officer, director or ten percent holder of the Company. Optionee agrees to notify the Company within ten (10) working days of any such disposition.

15. Stand-off Agreement. Optionee agrees that, in connection with any registration of the Company's securities under the Securities Act, and upon the request of the Company or any underwriter managing an underwritten offering of the Company's securities, Optionee shall not sell, short any sale of, loan, grant an option for, or otherwise dispose of any of the Shares (other than Shares included in the offering) without the prior written consent of the Company or such managing underwriter, as applicable, for a period of at least one year following the effective date of registration of such offering.

16. Restriction upon Transfer. The Shares may not be sold, transferred or otherwise disposed of and shall not be pledged or otherwise hypothecated by the Optionee except as hereinafter provided.

(a) *Permitted Transfers.* Notwithstanding any provisions in this Agreement to the contrary, the Optionee may transfer Shares subject to this Agreement to his or her parents, spouse, children, or grandchildren, or a trust for the benefit of the Optionee or any such transferee(s); provided, that such permitted transferee(s) shall hold the Shares subject to all the provisions of this Agreement (all references to the Optionee herein shall in such cases refer *mutatis mutandis* to the permitted transferee and provided that notwithstanding any other provisions in this Agreement, a permitted transferee may not, in turn, make permitted transfers without the written consent of the Optionee and the Company.

17. Notices. Any notice required to be given pursuant to this Option or the Plan shall be in writing and shall be deemed to be delivered upon receipt or, in the case of notices by the Company, five (5) days after deposit in the U.S. mail, postage prepaid, addressed to Optionee at the address last provided by Optionee for his or her employee records.

18. Agreement Subject to Plan; Applicable Law. This Option is made pursuant to the Plan and shall be interpreted to comply therewith. Capitalized terms used herein but not otherwise defined shall have the meanings ascribed to such terms in the Plan. A copy of such Plan is available to Optionee, at no charge, at the principal office of the Company. Any provision of this Option inconsistent with the Plan shall be considered void and replaced with the applicable provision of the Plan. This Option has been granted, executed and delivered in the State of Delaware, and the interpretation and enforcement shall be governed by the laws thereof and subject to the exclusive jurisdiction of the courts therein.

[Signature Page Follows]

In Witness Whereof, the parties hereto have executed this Option as of the date first above written in Section 1(a).

COMPANY: EMAGIN CORPORATION
a Delaware corporation

By:
Name: Andrew G.
Sculley
Title: Chief
Executive Officer

OPTIONEE:

By:
Name: *(signature)*

Appendix A

NOTICE OF EXERCISE

EMAGIN CORPORATION

Re: Nonstatutory Stock Option

Notice is hereby given pursuant to Section 6 of my Nonstatutory Stock Option Agreement that I elect to purchase the number of shares set forth below at the exercise price set forth in my option agreement:

Nonstatutory Stock Option Agreement dated: _____

Number of shares being purchased: _____

Exercise Price: \$_____

A check in the amount of the aggregate price of the shares being purchased is attached.

I hereby confirm that such shares are being acquired by me for my own account for investment purposes, and not with a view to, or for resale in connection with, any distribution thereof. I will not sell or dispose of my Shares in violation of the Securities Act of 1933, as amended, or any applicable federal or state securities laws. Further, I understand that the exemption from taxable income at the time of exercise is dependent upon my holding such stock for a period of at least one year from the date of exercise and two years from the date of grant of the Option.

I understand that the certificate representing the Option Shares will bear a restrictive legend within the contemplation of the Securities Act and as required by such other state or federal law or regulation applicable to the issuance or delivery of the Option Shares.

I agree to provide to the Company such additional documents or information as may be required pursuant to the Company's 2008 Incentive Stock Plan.

By: _____ (signature)

Name:

eMagin Corporation Provides Update On Positive Fourth Quarter 2019 Financial Trends and Announces Management Changes

HOPEWELL JUNCTION, N.J. (BUSINESS WIRE)--Jan. 22, 2020--eMagin Corporation, or the "Company," (NYSE American: EMAN) leader in the development, design and manufacture of high resolution micro OLED displays for virtual and augmented reality solutions, today announced preliminary revenues for the fourth quarter of 2019 and 2019 year-end backlog.

The Company currently estimates revenues in the fourth quarter are to be in a range between \$7.1 million and \$7.3 million, representing a 31% to 34% increase compared to the fourth quarter of 2018. The revenue growth reflects increased demand in military end markets and the continued benefits of operating improvements in manufacturing yields and production throughput.

At December 31, 2019, the Company's backlog of open orders scheduled for delivery through December 31, 2020 was \$11.7 million, an increase of over 10% from the backlog of \$10.6 million at the end of 2018 and an increase of over 75% from the \$6.6 million backlog at the end of the third quarter of 2019. As of December 31, 2019, the Company had cash of \$3.5 million compared to cash of \$3.3 million at December 31, 2018, and \$2.6 million at September 30, 2019. The Company's revolving credit loan balance was \$2.9 million at December 31, 2019, compared to \$2.0 million at September 30, 2019, and no borrowings on the Company's credit loan facility at December 31, 2018.

"We ended the year on a strong note with our fourth quarter bookings exceeding \$15 million, a record for the Company, and positioning us well as we enter 2020," said Andrew Sculley Chief Executive Officer. "Our core military business is benefitting from the ramp-up in volume of the Company's existing programs as well as new programs. In addition, we continue to have productive discussions with consumer companies interested in the high brightness and superior resolution of our displays for potential AR/VR applications. We look forward to sharing additional details regarding our fourth quarter results on our year-end conference call in March."

Separately, the Company announced today the resignation of Mr. Jeffrey Lucas as President and CFO effective February 1st to pursue another opportunity. Mr. Mark Koch, eMagin's Vice President of Finance, will become the Acting Chief Financial Officer. Mr. Koch, a CPA, has been with the Company for almost four years in positions of increasing financial responsibility and has prior experience as Corporate Controller of several publicly-traded companies. Mr. Lucas will be available to the Company in a consulting capacity.

Dr. Amal Ghosh, Chief Technology Officer, will assume the role of Chief Operating Officer. Dr. Ghosh, has over twenty-five years of industry experience and has received significant recognition for his contributions to display technology including the Company's direct patterning dPd™ technology. He has been with eMagin Corporation for almost 22 years and has held positions with IBM Corporation and Eastman Kodak Company. "Given his technological and management expertise, we anticipate that Dr. Ghosh will drive profitable growth in operations, continue technological improvements in R&D and bring exciting new products to market," continued Mr. Sculley.

"Finally, I want to thank Jeff for his contributions helping our team drive financial and operational improvements. I am excited to work with Amal and Mark in their new roles as we build on our leading military presence and cutting-edge technology to capitalize on the opportunities in the consumer and enterprise markets," concluded Mr. Sculley.

About eMagin Corporation

A leader in OLED microdisplay technology, OLED microdisplay manufacturing know-how and mobile display systems, eMagin manufactures high-resolution micro OLED displays and integrates them with magnifying optics to deliver virtual and augmented reality on tiny digital displays that are comparable to large-screen computer and television displays in portable, low-power, lightweight personal devices. eMagin's microdisplays provide near-eye imagery in a variety of products for military, industrial, medical and consumer OEMs. More information about eMagin is available at www.emagin.com.

Forward-Looking Statements and Statement on Preliminary Results

The foregoing information reflects our estimate with respect to total revenues based on currently available information which is preliminary and unaudited, is not a comprehensive statement of our financial results and is subject to completion of our financial closing procedures. Our final results that will be issued upon completion of our closing procedures may vary from these preliminary estimates.

This press release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, including those regarding eMagin Corporation's expectations, intentions, strategies and beliefs pertaining to future events or future financial performance. Actual events or results may differ materially from those in the forward-looking statements as a result of various important factors, including those described in the Company's most recent filings with the SEC. For a more complete description of the risks that could cause our actual results to differ from our current expectations, please see the section entitled "Risk Factors" in eMagin's Annual Report on Form 10-K for the fiscal year ended December 31, 2018 and Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2019.

eMagin Corporation
Jeffrey Lucas, 845-838-7931
President & Chief Financial Officer
jlucas@emagin.com
or
Affinity Growth Partners
Betsy Brod, 212-661-2231
Betsy.brod@affinitygrowth.com