KOPIN CORP
Form DEF 14A
April 17, 2008

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

SCHEDULE 14

(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a)

of the Securities Exchange Act of 1934

(Amendment No.)

Filed by the Registrant x Filed by a Party other than the Registrant ¨

Check the appropriate box:

¨ Preliminary Proxy Statement

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

x Definitive Proxy Statement

¨ Definitive Additional Materials

¨ Soliciting Material Pursuant to Section §240.14a-12

Kopin Corporation

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

x No fee required

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

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(3) Filing Party:

(4) Date Filed:

KOPIN CORPORATION

200 John Hancock Road, Taunton, Massachusetts 02780

April 18, 2008

To Our Stockholders:

You are cordially invited to attend the Combined 2007 and 2008 Annual Meeting of Stockholders of KOPIN CORPORATION, to be held at 9:00 a.m. on May 20, 2008, at the offices of Bingham McCutchen LLP, 150 Federal Street, Boston, Massachusetts 02110 (the Meeting).

The Notice of Meeting and the Proxy Statement that follow describe the business to be considered and acted upon by the stockholders at the Meeting. Our Annual Reports on Form 10-K for each of the two fiscal years ended December 30, 2006 and December 29, 2007 are also enclosed for your information.

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

Sincerely,

JOHN C.C. FAN

Chairman

KOPIN CORPORATION

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To Be Held On May 20, 2008

Notice is hereby given that the Combined 2007 and 2008 Annual Meeting (the Meeting) of Stockholders of Kopin Corporation (the Company) will be held at the offices of Bingham McCutchen LLP, 150 Federal Street, Boston, Massachusetts 02110 on May 20, 2008, at 9:00 a.m., local time, to consider and act upon the following matters:

1. A proposal to elect seven (7) directors of the Company to serve until the next Annual Meeting of Stockholders and until their successors are duly elected and qualified.

2. A proposal to ratify the appointment of Deloitte & Touche LLP as the independent registered public accounting firm of the Company for the current fiscal year.

3. Such other business as may properly come before the Meeting or any adjournments thereof.

Stockholders of record at the close of business on April 7, 2008 are entitled to notice of and to vote at the Meeting and any adjourned sessions thereof. All stockholders are cordially invited to attend the Meeting.

By Order of the Board of Directors

JOHN C.C. FAN

Chairman

Taunton, Massachusetts

April 18, 2008

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

KOPIN CORPORATION

200 John Hancock Road

Taunton, Massachusetts 02780

PROXY STATEMENT

This proxy statement and proxy are being furnished in connection with the solicitation by the board of directors of Kopin Corporation for use at the Combined 2007 and 2008 Annual Meeting of Stockholders (the Meeting) to be held on May 20, 2008, and at any adjournments thereof. This proxy statement, the accompanying proxy card and each of our Annual Reports for the fiscal years ended December 30, 2006 and December 29, 2007 were first mailed to stockholders on or about April 18, 2008. The Meeting will be held at the offices of Bingham McCutchen LLP, 150 Federal Street, Boston, Massachusetts 02110 on May 20, 2008 at 9:00 a.m.

Due to the need to restate our consolidated financial statements as of and for our fiscal years ended December 31, 2005 and December 25, 2004; our selected consolidated financial data as of and for our fiscal years ended December 31, 2005, December 25, 2004, December 31, 2003 and December 31, 2002 and our unaudited quarterly financial data for the first two quarters in our fiscal year ended December 30, 2006 and for all quarters in our fiscal year ended December 31, 2005, and the resulting delay in completing our consolidated financial statements for fiscal 2006 and fiscal 2007, we had to postpone our 2007 annual stockholders meeting. Accordingly, the meeting for which this solicitation is being made has been called as a Combined 2007 and 2008 Annual Meeting of Stockholders.

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

The close of business on April 7, 2008 has been established as the record date for determining the stockholders entitled to notice of and to vote at the Meeting and at any adjournments thereof. As of the record date, there were issued and outstanding and entitled to vote 68,977,724 shares of our common stock. Holders of shares of our common stock are entitled to one vote for each share owned as of the record date on all matters to come before the Meeting and any adjournments thereof. The presence in person or by proxy of holders of a majority of the issued and outstanding shares of our common stock entitled to vote at the Meeting constitutes a quorum for the transaction of business at the Meeting.

Stockholders may vote by completing the enclosed proxy card and mailing it in the envelope provided, by using a toll-free telephone number provided on the proxy card, or over the Internet. The Internet and telephone voting facilities for stockholders of record will close at 11:59 p.m. on May 19, 2008. Any proxy submitted prior to the Meeting may be revoked at any time before it is voted by written notice of revocation received by the Secretary of Kopin Corporation prior to the Meeting, by delivering a later dated proxy in accordance with the instructions on the enclosed proxy, by voting in person at the Meeting or by revoking a written proxy by request in person at the Meeting. If the proxy submitted is not so revoked, the shares represented by such proxy will be voted in accordance with the instructions contained therein. If no choice is specified for one or more proposals in a proxy submitted by or on behalf of a stockholder, the shares represented by such proxy will be voted in favor of such proposals and in the discretion of the named proxies with respect to any other proposals which may properly come before the Meeting.

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

If, in a proxy submitted on behalf of a stockholder by a person acting solely in a representative capacity, the proxy is marked clearly to indicate that the shares represented thereby are not being voted with respect to one or more proposals, then such proxies will be counted as present for purposes of establishing a quorum at the Meeting but will not be considered entitled to vote on such proposals and such non-votes will have no effect on the results of the voting on such proposals. Proxies marked as abstain as to one or more proposals will be counted as present for purposes of establishing a quorum at the Meeting and for the purpose of calculating the vote on such proposals. Such abstentions will have the effect of a vote against such proposals other than Proposal 1 (for which they will have no effect on the voting results).

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

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

Corporate Governance Matters

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

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

Corporate Governance Guidelines

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

Corporate Governance Practices and Board Independence

Each year, our board of directors reviews the relationships that each director has with us and with other parties. Only those directors who do not have any of the categorical relationships that preclude them from being independent within the meaning of applicable NASDAQ Stock Market, Inc. Marketplace Rules, or the NASDAQ Rules, and who the board of directors affirmatively determines have no relationships that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director, are considered to be independent directors. Our board of directors has reviewed a number of factors to evaluate the independence of each of its members. These factors include the members current and historic relationships with us and our competitors, suppliers and customers; their relationships with management and other directors; the relationships their current and former employers have with us; and the relationships between us and other companies of which a member of our board of directors is a director or executive officer. After evaluating these factors, our board of directors has determined that a majority of the members of the board of directors, namely James Brewington, David Brook, Andrew Chapman, Morton Collins, Chi Chia Hsieh and Michael Landine, do not have any relationships that would interfere with the exercise of independent judgment in carrying out their responsibilities as a director and are independent directors of Kopin Corporation within the meaning of applicable NASDAQ Rules.

In making its independence determinations, our board considered transactions occurring since the beginning of 2005 between us and entities associated with the independent directors or members of their immediate family. All identified transactions that appear to relate to Kopin Corporation and a person or entity with a known connection to a director are presented to the board for consideration. In making its subjective determination that each non-employee director is independent, our board considered the transactions in the context of the NASDAQ Rules, the standards established by the SEC for members of audit committees, and the SEC and Internal Revenue Service standards for compensation committee members. In each case, our board determined that, because of the nature of the director s relationship with the entity and/or the amount involved, the relationship did not impair the director s independence. Our board s independence determinations included reviewing the following transactions and relationships:

Dr. Hsieh, one of our directors, is also the Chairman of a venture, Kopin Taiwan Corporation, located in Taiwan of which Kopin owns approximately 40% of. Dr Hsieh owns approximately 1% of the outstanding common stock of this Kopin Taiwan Corporation. Microelectronics Technology Incorporated, a publicly traded company in Taiwan, is also a minority investor in Kopin Taiwan Corporation. Dr. Hsieh may also be deemed to have an indirect ownership in this company through his ownership of Microelectronics Technology Incorporated. Dr. Hsieh is also a director of a company, Advance Wireless Semiconductor Company, or AWSC, which is a customer of Kopin s and which Kopin owns a minority interest in. Several of our directors and officers own amounts ranging from 0.1 to 0.5% of AWSC s outstanding stock.

Mr. Brook, one of our directors, is a partner of the patent law firm of Hamilton, Brook, Smith & Reynolds P.C., which is our patent counsel. During the fiscal years 2006 and 2007, we paid Hamilton, Brook, Smith & Reynolds P.C fees of approximately $422,000 and $529,000, respectively. Dr. Fan, our President, Chief Executive Officer, a member and Chairman of our board, is a founder and board member of another company, Kenet, in which Kopin has invested $5.4 million. Dr. Fan currently owns approximately 2.3% of this company. Certain of our directors and an officer also invested in this company and their ownership ranges from 0.1% to 0.6%.

Nomination and Election of Directors

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

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

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

- Independence from management;
- Age, gender and ethnic background;
- Relevant business experience;
- Judgment, skill and integrity;
- Existing commitments to other businesses;
- Potential conflicts of interest;
- Corporate governance background;
- Financial and accounting background;
- Executive compensation background; and
- Size and composition of the existing board.

In the past year, there have been no material changes to the procedures by which stockholders may recommend nominations to the board. The Nominating and Corporate Governance Committee will consider candidates for director suggested by stockholders by considering the foregoing criteria and the additional information referred to below. Stockholders wishing to suggest a candidate for director should write to Kopin Corporation, c/o Investor Relations, 200 John Hancock Road, Taunton, MA 02780, and include the following:

- The name and address of the stockholder and a statement that he, she or it is one of our stockholders and is proposing a candidate for consideration by the committee;
- The class and number of shares of our capital stock, if any, owned by the stockholder as of the record date for the annual stockholder meeting (if such date has been announced) and as of the date of the notice, and length of time such stockholder has held such shares;
- The name, age and address of the candidate;

A description of the candidate s business and educational experience;

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

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

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

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

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

Under our by-laws, nominations for directors may be made only by or at the direction of the board, or by a stockholder of record at the time of giving notice who is entitled to vote and delivers to Kopin Corporation written notice along with the additional information and materials required by the by-laws not less than 75 days prior to the day and month on which, in the immediately preceding year, the annual meeting for such year occurred. For our annual meeting in the year 2009, we must receive this notice on or before January 21, 2009 to be included in the proxy solicitation materials as required by Rule 14a-8 of the Securities Exchange Act of 1934, and no later than March 6, 2009 for all other proposals. You can obtain, without charge, a copy of the by-laws by writing to Kopin Corporation, c/o Investor Relations, 200 John Hancock Road, Taunton, MA 02780.

Stockholder Communications with the board

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

Related Transactions

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

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

PROPOSAL I

ELECTION OF DIRECTORS

Our by-laws provide that the board shall consist of not less than three nor more than thirteen directors. The board has fixed the number of directors at seven. Unless authority is withheld, it is the intention of the persons voting under the enclosed proxy to vote such proxy in favor of the election of each of the nominees to be a director until the 2009 Annual Meeting of Stockholders and until their successors are elected and qualified. If any nominee is unavailable, such votes will be cast by the proxies either for a substitute nominee selected by the proxies or to fix the number of directors at a lesser number. Our board currently has no reason to expect that any of the nominees will be unavailable.

Required Vote

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

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

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

Name	**Age**	**Served as Director Since**	**Position and Offices with the Company**
John C.C. Fan	63	1984	President, Chief Executive Officer, Director and Chairman of the Board
James K. Brewington	63	2006	Director
David E. Brook	66	1984	Secretary and Director
Andrew H. Chapman	52	1985	Director
Morton Collins	71	1985	Director
Chi Chia Hsieh	63	1995	Director
Michael J. Landine	54	2003	Director

Background of Nominees for Director and Certain Officers

Nominees

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

James K. Brewington, Director. Mr. Brewington has served as one of our directors since 2006. Mr. Brewington retired as President of Developing Markets at Lucent Technologies in 2007. Prior to heading Lucent s Developing Markets group, Mr. Brewington served as president of the company s Mobility Solutions Group, where he was responsible for all wireless infrastructure for the mobility segment, including global wireless development and product architecture, project management, and business and product management. He began his career at AT&T in 1968, and over the ensuing years he has held various executive management positions in the telecommunications industry, including overseeing Bell Telephone Wireless Laboratories.

David E. Brook, Secretary and Director. Mr. Brook has served one of our directors since 1984. Mr. Brook is a founder and principal of the intellectual property law firm of Hamilton, Brook, Smith & Reynolds P.C. in Concord, Massachusetts.

Andrew H. Chapman, Director. Mr. Chapman has served as one of our directors since 1985. From 2003 to the present, Mr. Chapman has been a private investor. Mr. Chapman has founded, managed, been a director of and or invested in numerous technology start-up companies over the past 20 years. From June 2000 until February 2003, he served as an Executive Vice President for Narad Networks, Inc., a network equipments provider. Mr. Chapman received a B.A. from Yale College and an MBA from The Wharton School.

Morton Collins, Director. Mr. Collins has served as one of our directors since 1985. Mr. Collins has been a member of BVP Partners, LLC, since 2003. BVP Partners, LLC is the management company of Battelle Ventures, L.P., a venture capital limited partnership. Mr. Collins is also a member of BVP GP, LLC which is the general partner of Battelle Ventures, L.P. Before that Mr. Collins had been a General Partner of DSV Partners III, a venture capital limited partnership, since 1981, and a General Partner of DSV Management Ltd. since 1982. Since 1985, DSV Management Ltd. has been the General Partner of DSV Partners IV, a venture capital limited partnership. In 1997, Mr. Collins became a Special Limited Partner of Cardinal Partners, the successor to the DSV series of partnerships. From 1968 to 1974, he was the Founder and Chief Executive Officer of Data Science Ventures, Inc. (DSV I). Mr. Collins serves as a Director of Strategic Diagnostics, Inc. a company listed on NASDAQ; Ventaira, Inc. (Chairman); Pharos LLC; PD-LD Inc. (Chairman); Sypherlink Inc. (Chairman); Viral Genomics Inc.; Advanced Cerametrics, Inc.; ImageTree Corporation; CDI Bioscience, Inc. (Chairman) and is a member of the Executive Committee of Battelle Memorial Institute. Mr. Collins is Chairman of the Advisory Council to the Chemical Engineering Department at the University of Delaware; Chairman of the Graduate School Advisory Council at Princeton University; a member of the Leadership Council of the School of Engineering and Applied Sciences at Princeton University and a member of the Systems Biology Advisory Council at the Institute for Advanced Study, Princeton, N.J. Mr. Collins is a Member of the Research Roundtable of the National Academy of Sciences.

Chi-Chia Hsieh, Director. Dr. Hsieh has served as one of our directors since December 1995. Dr. Hsieh is currently the Vice Chairman and was previously the President of Microelectronics Technology, Inc., a Taiwan corporation publicly traded on the Taiwan Stock Exchange. Dr. Hsieh is also Chairman of the board of directors of Kopin Taiwan Corporation, a Taiwan corporation in which we are a shareholder.

Michael J. Landine, Director. Mr. Landine has served as one of our directors since 2003. Mr. Landine is Senior Vice President of Corporate Development of Alkermes, Inc., where he has worked for the past 20 years. Mr. Landine served for 10 years as the Chief Financial Officer and Treasurer of Alkermes. Mr. Landine also serves as an advisor to Walker Magnetics Group, an international manufacturer of industrial equipment. From 1976 to 1983, Mr. Landine worked for the international accounting firm Touche Ross & Co. Mr. Landine currently serves on the board of directors of GTC Biotherapeutics Inc., a publicly-traded biotechnology company, where he also serves on the Audit Committee.

Officers

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

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

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

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

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

Board and Committee Meetings

During the fiscal year 2007, our board held 5 meetings. For each director, overall attendance at board meetings, either in person or by conference call, was greater than 75%. All of our then directors attended the 2006 annual stockholder meeting, except for Dr. Chi-Chia Hsieh. We did not hold an annual stockholder meeting in 2007. Although we currently do not require our directors to attend annual stockholder meetings, we do encourage directors to do so and welcome their attendance.

Audit Committee: We have established a separately designated Audit Committee as defined by Section 3(a)(58)(A) of the Securities Exchange Act of 1934, as amended. Our Audit Committee is composed of three directors, Morton Collins, Andrew H. Chapman and Michael J. Landine, each of whom the board has determined is independent under the NASDAQ Rules and the applicable SEC rules and regulations. The board has determined that Mr. Landine is an audit committee financial expert as defined by Item 407(d)(5)(i) of Regulation S-K of the Exchange Act. Our board adopted an Audit Committee Charter and a copy of this charter is available on our website at *www.kopin.com* under the heading Investors: Corporate Governance. Our Audit Committee Charter delegates to the Audit Committee the responsibility, among other things, to engage our independent auditors, review the audit fees, supervise matters relating to audit functions, review and set internal policies and procedure regarding audits, accounting and other financial controls, and review related party transactions. The Audit Committee pre-approved all audit and non-audit services provided by Deloitte & Touche LLP for fiscal years 2006 and 2007. During the 2007 fiscal year, our Audit Committee met in person or through a conference call 6 times.

Nominating and Corporate Governance Committee: Our Nominating and Corporate Governance Committee presently is composed of two directors, Dr. Hsieh and Mr. Brook, each of whom the board has determined is independent under applicable NASDAQ Rules. The Nominating and Corporate Governance Committee is responsible, among other things, for considering potential board members, making recommendations to the full board as to nominees for election to the board, assessing the effectiveness of the board and implementing our corporate governance guidelines. The charter of the Nominating and Corporate Governance Committee is available on the Company s website at *www.kopin.com* under the heading Investors: Corporate Governance. During the 2007 fiscal year, our Nominating and Corporate Governance Committee met in person or through a conference call 1 time.

Compensation Committee: Our Compensation Committee presently is composed of two directors, Mr. Collins and Mr. Chapman, each of whom the board has determined is independent under applicable NASDAQ Rules. The charter of the Compensation Committee is available on the Company s website at *www.kopin.com* under the heading Investors: Corporate Governance . During the 2007 fiscal year, our Compensation Committee met in person or through a conference call 3 times.

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

Compensation Committee Interlocks and Insider Participation

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

STOCK OWNERSHIP OF PRINCIPAL STOCKHOLDERS AND MANAGEMENT

The following table sets forth certain information regarding the beneficial ownership of our common stock as of December 29, 2007 by all those known by us to be beneficial owners of more than 5% of our common stock and as of April 4, 2008 for all of our directors, named executive officers and all of our executive officers and directors as a group. The table reflects the cancellation of certain options as a result of our stock option review.

Name	Amount and Nature of Beneficial Ownership(1)	Percent
John C.C. Fan(2)	3,236,743	4.3
James K. Brewington	20,000	*
David E. Brook(3)	186,010	*
Andrew H. Chapman(3)	86,250	*
Morton Collins(3)	214,250	*
Chi Chia Hsieh(4)	174,250	*
Michael J. Landine(5)	56,250	*
Bor Yeu Tsaur(6)	689,159	*
Daily S. Hill(7)	216,624	*
Richard A. Sneider(8)	575,080	*
Hong Choi(9)	377,744	*
Michael Presz(10)	227,192	*
All directors and executive officers as a group (12 persons)(11)	6,059,551	7.9
AWM Investment Co., Inc.	5,156,407	7.0
Tocquevilla Asset Management LP	5,386,087	7.3

* Less than 1%

(1) Unless otherwise indicated in these footnotes, each stockholder has sole voting and investment power with respect to the shares beneficially owned.

(2) Includes 2,086,520 shares representing options that are currently exercisable or exercisable within 60 days of April 4, 2008.

(3) Includes 72,250 shares representing options that are currently exercisable or exercisable within 60 days of April 4, 2008.

(4) Includes 88,250 shares representing options that are currently exercisable or exercisable within 60 days of April 4, 2008.

(5) Includes 46,250 shares representing options that are currently exercisable or exercisable within 60 days of April 4, 2008.

(6) Includes 317,750 shares representing options that are currently exercisable or exercisable within 60 days of April 4, 2008.

(7) Includes 51,553 shares representing options that are currently exercisable or exercisable within 60 days of April 4, 2008.
(8) Includes 362,858 shares representing options that are currently exercisable or exercisable within 60 days of April 4, 2008.
(9) Includes 236,363 shares representing options that are currently exercisable or exercisable within 60 days of April 4, 2008.
(10) Includes 99,000 shares representing options that are currently exercisable or exercisable within 60 days of April 4, 2008.
(11) Includes 3,505,293 shares issuable to certain directors and executive officers pursuant to options that are currently exercisable or exercisable within 60 days of April 4, 2008.

Section 16(a) Beneficial Ownership Reporting Compliance

Based solely on a review of reports furnished to us or written representations from our directors and executive officers, we believe that none of our directors, executive officers and 10% stockholders failed to file on a timely basis the reports required to be filed pursuant to Section 16 of the Exchange Act during the fiscal year 2007.

COMPENSATION AND OTHER INFORMATION CONCERNING DIRECTORS AND OFFICERS

Compensation Discussion and Analysis

The following compensation discussion and analysis summarizes our philosophy and objectives regarding the compensation of our named executive officers, including how we determine elements and amounts of executive compensation. The following compensation discussion and analysis should be read in conjunction with our tabular disclosures which directly follow the discussion, beginning on page 17 of this proxy statement.

Compensation Philosophy

We believe that our named executive officers play a critical role in the operational and financial performance of our business that creates long-term value for our stockholders. Accordingly, our executive compensation philosophy is to reward our executives for individual performance and for contributions to our performance. In establishing executive compensation, we have historically placed a higher priority on executive retention objectives and to a lesser extent pay-for-performance programs to achieve specific goals. We believe that we accomplish this by compensating our executives with a combination of base salary, performance bonus awards and long-term equity-based incentive compensation. There is no pre-established policy or target for the allocation between either cash or non-cash compensation. Compensation Objectives

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

- retaining our executives and aligning their interests with stockholder interests;
- rewarding our executives for individual performance; and
- rewarding our executives for contributions to our performance, including achievements of both financial and non-financial objectives.

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

Role of the Compensation Committee

The Compensation Committee of our board of directors sets our executive compensation policies and determines the amounts and elements of compensation for our executive officers. As set forth in the

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

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

Role of the Compensation Consultant

In making its determinations with respect to executive compensation, the Compensation Committee has periodically engaged the services of a compensation consultant to provide input on trends in executive compensation, obtain an outside perspective on our executive compensation practices and assist with our peer group benchmarking analysis. In 2007 and 2005 the Committee retained the services of Pearl Meyer & Partners, a Clark Consulting Practice (Pearl Meyer) to assist with its review of overall compensation for our executive officers.

Compensation Determinations

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

Peer Group Benchmarking

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

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

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

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

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

Based on the evaluation and performance review process and the peer group benchmarking analysis described above, the Committee will consider the amounts and elements of compensation for our executive officers, both for the past fiscal year in determining cash bonus and equity awards and for the upcoming fiscal year in setting base salaries, cash bonus and equity award targets. For all executive officers other than our Chief Executive Officer and Chief Financial Officer, the Committee will establish and approve the compensation determinations based on recommendations from the Chief Executive Officer. With respect to compensation of our Chief Executive Officer and Chief Financial Officer, the Committee will establish and approve the compensation determinations based on the Committee s evaluation and performance reviews of our Chief Executive Officer and Chief Financial Officer.

Elements of Compensation

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

- Annual Base Salary;
- Annual Cash Bonus Awards; and
- Equity Awards.

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

Annual Base Salary

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

In furtherance of our executive retention goals, we allocated a substantial portion of total cash compensation to our executives in the form of base salary in 2006 and 2007. We historically have established a base salary for our executives that represent approximately eighty to ninety percent of their total annual cash payments, with cash bonus representing approximately ten to twenty percent.

Annual Cash Bonus Awards

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

Generally, our executives are eligible to receive a cash bonus reward which is the same amount for all of the executives except the Chief Executive Officer. For 2006 and 2007, the Chief Executive Officer s cash bonus target was $100,000 and the other officers cash bonus target was $25,000. At the end of the year the Committee reviews management s and the Company s performance against the goals, objectives and expectations of the Board of Directors. The Committee will factor in unforeseen events in evaluating performance. In 2006, we spent approximately $3.7 million on our stock option review. The 2006 bonus plan provided that amounts would be earned by the executive officers if we were profitable for 2006, excluding the impact from the adoption of SFAS 123(R). The goal was met and the bonuses earned. The 2007 bonus plan was retention oriented and required the officer be with the Company through December 15, 2007. The goal was met and the bonuses earned.

Equity Awards

We believe that including an equity-based incentive component of compensation is a critical tool for motivating our executives and certain employees. We believe that granting equity awards to our executives serves to align executive compensation with long-term stockholder value. By awarding executive officers with equity awards that vest over time, we believe that our executive officers will have a continuing stake in our long-term success. We may issue equity awards to an employee upon the commencement of their employment and we typically issue equity awards to certain employees as part of the year end compensation practice.

We historically have weighted our total executive compensation heavily towards either stock options or more recently, restricted stock awards, which vest over time. While our management can improve our financial performance through the sales of our current products, cost reduction efforts, process improvements and other short-term advancements, we believe that our executive officers focus on long-term achievements, particularly increasing our product portfolio, will create the greatest stockholder value. We believe that by granting our executives meaningful levels of equity awards, they will have a greater incentive to focus on long-term results. In determining the size of each equity award to our executive officers, the Committee considers the amount previously awarded on an annual basis to the executive, the total value of unvested equity awards held by the executive, the executive s overall performance, our performance during the year and the dilution to the shareholders.

On December 11, 2006, the Compensation Committee awarded restricted stock awards to each of our executive officers based on their performance for the year ended December 30, 2006 and expected future contributions. The Committee approved 150,000, 60,000, 40,000, 40,000, and 30,000 shares of restricted stock to Dr. John Fan, Dr. Boryeu Tsaur, Mr. Richard Sneider, Mr. Daily Hill, and Dr. Hong Choi, respectively. Each of these restricted stock awards vests 25% on the anniversary date of the award over four years, commencing one year from the date of the award.

2008 Compensation

In order to meet the Company s objectives and in response to the benchmarking data and other industry trends, the Compensation Committee approved a compensation plan for 2008 which was more heavily weighted towards incentive pay than in past years. As part of this plan, Dr. Fan s, Mr. Sneider s and Dr. Tsaur s bases salaries were maintained at their 2007 levels. Dr. Choi, Mr. Hill and Mr. Presz were given raises of $10,000, $5,000 and $15,000, respectively.

On April 3, 2008, the Company s 2008 Incentive Plan became effective. The Company s 2008 Incentive Plan acts as an incentive plan for the fiscal year ending December 27, 2008. Pursuant to this 2008 Incentive Plan, the Officers and eligible employees are eligible to earn incentive compensation if the Company achieves certain financial milestones as adopted by the Company s Compensation Committee. The purpose of the 2008 Incentive Plan is to further align management s and shareholder s interest by providing employees higher levels of compensation for meeting or exceeding the financial milestones. The 2008 Incentive Plan is designed to pay out approximately 40% of amounts earned in cash and 60% in fully vested common stock of the Company; however if the Company is unable to issue common stock the amounts earned may be paid out solely in the form of cash. A participant may earn his incentive compensation if the product line he works for meets its milestones even if the other product line does not meet its results. Corporate participants, including Drs. Fan and Choi and Mr. Sneider, will earn 50% of their incentive compensation based on the results of each product line.

The table below shows examples of what the Officers may be eligible to earn under the 2008 Incentive Plan. It does not include amounts that will be paid as part of the Officer s annual salary, amounts that can be earned under previous equity awards or any additional awards the Compensation Committee may grant at year end. Column A is the approximate cash bonus if the minimum milestones are achieved, column B shows the approximate maximum cash bonus that will be paid if all milestones are achieved, column C shows the number of shares of the Company s common stock which can be earned if all milestones are achieved and column D is an estimate of the total incentive compensation an Officer could earn if all milestones are achieved. The total incentive compensation is computed as the sum of the incentive compensation paid in cash plus the value of the common stock earned under the 2008 Incentive Plan. The value of the common stock was computed as the maximum number of shares an Officer could earn multiplied by $2.75. The value of the common stock is an approximation of the expense the Company would record through the 2008 Incentive Plan. The actual value to the Officer is dependent on the Company s common stock price on the day the common stock is earned. Column C below shows the number of shares of restricted stock the Company awarded on April 3, 2008:

Officer	**A**	**B**	**C**	**D**
Dr. Fan	$ 100,000	$ 259,000	84,701	$ 492,000
Mr. Sneider	$ 25,000	$ 103,000	41,817	$ 218,000
Dr. Tsaur	$ 25,000	$ 113,000	46,829	$ 241,000
Dr. Choi	$ 25,000	$ 85,000	32,086	$ 173,000
Mr. Hill	$ 25,000	$ 96,000	37,771	$ 200,000
Mr. Presz				