



EMCORE CORPORATION

Executive Officer and Director Stock Ownership Policy

(Effective December 15, 2016)

The Board of Directors (the “**Board**”) of EMCORE Corporation (“**EMCORE**” or the “**Company**”), upon the recommendation of the Compensation Committee of the Board, has adopted this stock ownership policy (“**Stock Ownership Policy**”) to require that the Company’s executive officers and non-employee directors have direct ownership in the common stock of the Company in order to further align their interests with the interests of the Company’s stockholders. For purposes of this Stock Ownership Policy, “executive officers” refers to those executive officers determined by the Board to be the Company’s officers (as such term is defined in Rule 16a-1(f) of the Securities Exchange of 1934, as amended).

Ownership Levels

The Board requires that executive officers and non-employee directors of the Company have direct ownership of EMCORE common stock in at least the following amounts:

| Position | Stock Ownership Level Multiple (Multiple of Salary/Retainer) |
|--------------------------|---|
| Chief Executive Officer | 3 times annual base salary |
| Other Executive Officers | 1 times annual base salary |
| Non-Employee Directors | 3 times annual cash retainer (excluding additional retainers for committee members and chairpersons) |

Minimum stock ownership levels (the “**Minimum Stock Ownership Level**”) for each executive officer and non-employee director will be determined annually as follows:

Base Salary/Annual Cash Retainer x Stock Ownership Level Multiple

Average Daily Closing Price reported by NASDAQ Stock Market for the 12-months ending on (and including) September 30

The initial Minimum Stock Ownership Level for each executive officer and non-employee director in office as of the date of adoption of this Stock Ownership Policy shall be effective October 1, 2016 based on the average daily closing price of EMCORE common stock as reported by the NASDAQ Stock Market for the 12-months ended (and including) September 30, 2016. The initial Minimum Stock Ownership level for an executive officer or non-employee director appointed or elected after the date of adoption of this Stock Ownership Policy shall be effective as of the date of such person’s appointment or election as an executive officer or non-employee director based on the average daily closing price of EMCORE common stock reported by the NASDAQ Stock Market for the 12-month period ending on (and including) September 30 of the



most recently completed fiscal year. The Minimum Stock Ownership Level for each executive officer and non-employee director will be re-determined annually effective as of the first day of the next succeeding fiscal year after giving effect to any increase in the annual base salary or annual cash retainer payable to such person that occurred since the beginning of the prior fiscal year.

After the Minimum Stock Ownership Level is established for an executive officer or non-employee director for a fiscal year, the Minimum Stock Ownership Level will not change as a result of fluctuations in the market price of EMCORE common stock; provided, however, that the Minimum Stock Ownership Level for each executive officer and non-employee director shall be appropriately adjusted in the event of a stock split, reverse stock split, stock dividend or other similar change in EMCORE's outstanding capital stock.

Requirement to Satisfy Minimum Stock Ownership Level

Each executive officer and director is required to meet the required Minimum Stock Ownership Level by the later of October 1, 2021 or five years from the date such person is appointed as an executive officer or director.

Unless an executive officer or director has satisfied his or her required Minimum Stock Ownership Level, such executive officer or director is required to retain 50% of the Net Shares received as a result of the exercise, vesting or payment of any EMCORE equity awards granted to the executive officer or director. This amount is calculated using the closing price of EMCORE common stock as reported on the NASDAQ Stock Market on the trading day immediately preceding the date of exercise, vesting or payment of the equity award. See Exhibit A for sample calculations.

For purposes hereof, "Net Shares" means those shares of EMCORE common stock that remain after shares are sold or withheld, as the case may be, to (i) pay any applicable exercise price for an equity award or (ii) satisfy withholding tax obligations arising in connection with the exercise price, vesting or payment of an equity award.

Counting Shares Owned

Common stock that counts toward the Minimum Stock Ownership Level includes:

- shares of EMCORE common stock beneficially owned *directly* by the executive officer or non-employee director;
- shares of EMCORE common stock beneficially owned *indirectly* by the executive officer or non-employee director (whether through his or her spouse, children, a trust or otherwise); and
- shares of EMCORE common stock subject to stock unit awards that have vested but the payment of which has been deferred. Shares of EMCORE common stock subject to stock options and unvested stock unit awards do not count for purposes of meeting the Minimum Stock Ownership Level.



Notwithstanding the foregoing, shares of EMCORE common stock pledged as security or collateral for a loan do not count towards the Minimum Stock Ownership Level.

Hardship

The Board understands that there may be instances where this Stock Ownership Policy would place a hardship on an executive officer or non-employee director. In these instances, the executive officer or non-employee director must submit a request in writing to the Chairman of the Compensation Committee (or, if such chairman is the affected director, the Chairman of the Nominating Committee) that summarizes the circumstances and describes the extent to which an exemption is being requested. The Chairman of the Compensation Committee (or Nominating Committee, as applicable) will make the final decision as to an alternative stock ownership plan for the executive officer or non-employee director that balances the goals of this Stock Ownership Policy with the affected executive officer's or non-employee director's personal circumstances.

Annual Review

The Compensation Committee will annually review the Minimum Stock Ownership Levels of each executive officer and non-employee director and will notify each such person of the Minimum Stock Ownership Level required for the ensuing fiscal year and any requirement to retain Net Shares in accordance with this Stock Ownership Policy. From time to time, the Compensation Committee may recommend changes to this Stock Ownership Policy for approval by the Board.



Sample Net Share Calculations

Restricted Stock Units

50% of the Net Shares from the vesting/payment of a stock unit award would be calculated as follows:

- Assume an executive officer vests in an installment of 10,000 stock units
- Assuming a 45% combined tax rate, upon delivery of the 10,000 shares of common stock, the executive could sell 4,500 to cover taxes (including withholding taxes)
- Of the 5,500 shares remaining, 50% or 2,750 shares would have to be retained and the executive would be free to sell the remaining 2,750 shares

Stock Options

50% of the Net Shares from the exercise of a stock option would be calculated as follows (assuming a stock option with an exercise price of \$10.00 per share is exercised when the stock price is \$20.00 per share):

- Assume an executive exercises 20,000 vested stock options with an exercise price of \$10.00 when the fair market value is \$20.00
- A total of 10,000 of the shares subject to the stock option will be required to cover the exercise price of the 20,000 options $((20,000 * \$10) / \$20)$
- Assuming a 45% combined tax rate, a total of 4,500 shares subject to the stock option will be required to cover taxes $([20,000 * (\$20 - \$10)] * 45\% / \$20)$
- Of the 5,500 shares remaining $(20,000 - 10,000 - 4,500)$, 50% or 2,750 shares would have to be retained and the executive would be free to sell the remaining 2,750 shares