

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) May 12, 2022

VUZIX CORPORATION

(Exact name of registrant as specified in its charter)

Delaware

(State or Other Jurisdiction of Incorporation)

001-35955

(Commission File Number)

04-3392453

(IRS Employer Identification No.)

25 Hendrix Road, Suite A, West Henrietta, New York 14586

(Address of principal executive offices) (Zip code)

(585) 359-5900

(Registrant's Telephone Number, Including Area Code)

Not Applicable

(Former Name or Former Address, if Changed Since Last Report)

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 or to be 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, par value \$0.001	VUZI	Nasdaq Capital Market

Indicate by check mark whether the registrant is an emerging growth company 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 1.01 Entry into a Material Definitive Agreement.

On May 12, 2022, Vuzix Corporation (the "Company") entered into a license agreement (the "License Agreement") with Atomistic SAS ("Atomistic"), and its two principals (the "Founders"). Pursuant to the License Agreement, Atomistic granted to the Company an exclusive worldwide royalty-free right and license to certain technologies related to MicroLEDs and MicroLasers, and the Company agreed to fund a custom design and tooling of a backplane for microdisplays utilizing MicroLEDs or MicroLasers created by Atomistic and/or other third party suppliers. Pursuant to the License Agreement, the Company is required to make installment payments to Atomistic in the aggregate amount of \$30,000,000, under a schedule set forth in the License Agreement (which may be accelerated by the Company in its discretion), with the last such payment due within 10 business days of December 31, 2023. The Company may (but will not be obligated to) renew the license for calendar years beyond December 31, 2023 in such amounts and in such manner as agreed between the Company and Atomistic. The License Agreement provides for royalty payments to be made to the Company on revenues of Atomistic products and services based on the Licensed Technology (as defined in the License Agreement) following any lapse of the Company's exclusive license.

In connection with the License Agreement, on May 12, 2022, the Company entered into a stock purchase agreement (the "Purchase Agreement") with Atomistic and the Founders. Under the Purchase Agreement, the Company agreed to purchase up to an aggregate of 25,250 shares of Series B Preferred Stock of Atomistic (the "Series B Preferred Stock") following and subject to certain Foundation Materials (as defined in the Purchase Agreement) being presented to Atomistic's board of directors, and achievement of six Milestones (as defined in the Purchase Agreement). The aggregate consideration the Company agreed to pay for the purchase of the Series B Preferred Stock will be \$2,500,000 and between 1,750,000 and 2,843,750 shares of the Company's common stock (valued based on the Company's share price at the time of such issuances, subject to a floor of \$8.00 and a ceiling of \$13.00). The first purchase by the Company under the Purchase Agreement, for an aggregate of 8,480 shares of Series B Preferred Stock will occur on the eleven month anniversary of the Purchase Agreement, and the remaining shares of Series B Preferred Stock will be purchased following such eleven month anniversary at such times when in the Company's reasonable judgement, the Milestones have been completed (subject to the Company's right to waive such Milestones). The shares of Series B Preferred Stock will automatically convert to shares of Series A Preferred Stock of Atomistic upon being purchased by the Company.

In the event that, within five years of the Purchase Agreement, the Company either (i) engages in a Change of Control Transaction (as defined in the Purchase Agreement) for an implied equity value of at least \$3.5 billion or (ii) attains a market capitalization for its common stock of at least \$3.5 billion where a US-based investment banker determines that at least 50% of such value can directly be attributed to the Atomistic transaction (if such valuation milestone is achieved prior to the license terminating or after the Company owns at least 25,250,000 Ordinary Shares of Atomistic), then the Company will be required to issue a further 15% of the number of shares of the Company's common stock, as adjusted for any cash payments made, previously issued under the Purchase Agreement or pay the cash equivalent represented by such additional shares at time of this valuation event, in exchange for 3,788 shares of Series B Preferred Stock of Atomistic.

Once the Company owns at least 25,250 shares of Series A Preferred Stock of Atomistic, such shares will automatically convert into Ordinary Shares of Atomistic at a rate of 1 share of Series A Preferred Stock into 1,000 Ordinary Shares. After this automatic conversion, the Company will own 25,250,000 Ordinary Shares of Atomistic or approximately 99.9% of its total controlling shares.

In connection with the License Agreement and Purchase Agreement, on May 12, 2022, the Company entered into a shareholders' agreement with the Founders (the "Shareholders' Agreement"). The Shareholders' Agreement contains normal representations and warranties, and governance procedures regarding the administration and management of Atomistic. The Shareholders' Agreement provides for preferential allocation to the Company of 49% of the distributable amounts in the event of a liquidation event of Atomistic prior to the Company owning 25,250,000 Ordinary Shares of Atomistic. The Shareholders' Agreement has a term of fifteen years, following which it will renew automatically for an additional five years. Under the Shareholders' Agreement, from the date the Company owns at least at least 25,250,000 Ordinary Shares of Atomistic, the Company will have the right to acquire all other outstanding Ordinary Shares of Atomistic.

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The above descriptions of the material terms of the License Agreement, the Purchase Agreement and the Shareholders' Agreement, are qualified in their entirety by reference to the text of such agreements which are filed as exhibits to this report.

Item 3.03 Unregistered Sale of Equity Securities.

The information set forth in Item 1.01 is incorporated by reference herein.

The issuance of the securities described above will be completed in accordance with the exemption provided by Section 4(a)(2) of the Securities Act of 1933, as amended, for transactions not involving a public offering.

Item 8.01 Other Events.

On May 18, 2022, the Company issued a press release regarding the License Agreement. A copy of the press release is attached as Exhibit 99.1 hereto.

Item 9.01 Financial Statements and Exhibits.

Exhibit No Exhibit

10.1	License Agreement*
10.2	Stock Purchase Agreement*
10.3	Shareholders' Agreement*
99.1	Press release dated May 18, 2022
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

* Portions of the agreement have been omitted.

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SIGNATURES

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

Date: May 18, 2022

VUZIX CORPORATION

By: /s/ Grant Russell
Grant Russell
Chief Financial Officer

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Certain identified information has been excluded from the exhibit because it is both (i) not material and (ii) would likely cause competitive harm to the registrant if publicly disclosed.

LICENSE AGREEMENT

This License Agreement (“**Agreement**”) is entered into as of the Effective Date (as defined below) by and between Vuzix Corporation, a Delaware corporation having its place of business at 25 Hendrix Road, Suite A, West Henrietta, New York 14586 (“**Vuzix**”), Atomistic SAS, a simplified stock company formed under the laws of France with a place of business at 3 Boulevard de Belfort, 59000 Lille, France (“**Atomistic**”) and each of Jonathan Sachs (“**JS**”) and Jerry Woodall (“**JW**”) only with regard to Sections 1, 6.1, 6.2, 6.5(a), 10, 11 and 13. Vuzix and Atomistic are referred to herein collectively as “**Companies**.” The Companies, JS and JW are referred to herein collectively as “**Parties**.”

RECITALS

WHEREAS, Vuzix desires to enter into an arrangement whereby it would license certain technology from Atomistic and Atomistic UK for developmental and commercial products, and Atomistic directly and on behalf of Atomistic UK desires to grant to Vuzix an exclusive worldwide right and license to such technology; and

WHEREAS, Vuzix desires to fund a custom design of a backplane by Atomistic and Atomistic UK, and Atomistic directly and through Atomistic UK desires to design a backplane in accordance with the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the foregoing premises and the mutual covenants contained herein, Vuzix, Atomistic (for itself and for Atomistic UK) and, as limited for JS and JW to Sections 1, 6.1, 6.2, 6.5(a), 10, 11 and 13 as listed in the preamble and on the signature page, hereby agree as follows:

1. Definitions. In addition to any terms defined elsewhere in this Agreement, the following terms will have the meanings set forth below:

1.1 “**Abandoned Patent**” will have the meaning set forth in Section 7.2.

1.2 “**Affiliate**” means, with respect to any Person, any other Person that directly or indirectly controls, is controlled by, or is under common control with, such first Person.

1.3 “**Anti-Corruption Laws**” means, both collectively and separately, any anti-corruption, anti-bribery or similar governmental ethics and transparency laws that have particular jurisdiction, including, without limitation, the US Foreign Corrupt Practices Act of 1977 (the “FCPA”) and the UK Bribery Act 2010.

1.4 “**Applicable Laws**” means all laws, ordinances, rules, and regulations applicable to this Agreement or the activities contemplated hereunder.

1.5 “**Assigning Party**” will have the meaning set forth in Section 13.9.

1.6 “**Atomistic Indemnified Parties**” will have the meaning set forth in Section 9.2(a).

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1.7 “**Atomistic UK**” means Atomistic Ltd. (Company Number 13607578), a private limited company formed under the laws of England and Wales and a wholly-owned subsidiary and Affiliate of Atomistic.

1.8 “**Backplane**” means a specific design and delivery of a mask set and other elements required for production of a silicon chip with (a) pixel driving circuitry, (b) one or more driver integrated circuits for providing voltages and currents to uLEDs or uLasers; and (c) a controller integrated circuit for relaying image data to the driver integrated circuits developed as part of this Agreement.

1.9 “**Confidential Information**” means any information communicated by one party hereto to the other, which, if in written or other tangible form, is marked as proprietary or confidential by the disclosing party or, if orally disclosed, is declared confidential by the disclosing party at the time of disclosure, in each case as further clarified in Section 11.

1.10 “**Conflict Minerals**” means cassiterite, columbite-tantalite, gold, and wolframite; their derivatives including tantalum, tin, and tungsten; and, any other mineral, derivative, or ore that the Organization for Economic Co-operation and Development (OECD), United States Securities and Exchange Commission (SEC), United States government, or United States Secretary of State considers to be directly or indirectly financing conflict in the Covered Countries.

1.11 “**control**” (including, the terms “**controlling**,” “**controlled by**,” and “**under common control with**”), as applied to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of that Person, whether through the ownership of voting securities, by contract, or otherwise.

1.12 “**Covered Countries**” means the Democratic Republic of Congo (**DRC**) and any adjoining country that shares an internationally recognized border with the DRC.

1.13 “**Disability**” [**] is entitled to receive benefits for “total disability,” “long term disability” or similarly categorized disability under the terms of any law or under any policy of disability income insurance which may be maintained [**]

1.14 “**Effective Date**” means May 12th, 2022, the date this Agreement was executed and became binding upon the Parties.

1.15 “**Field**” means (a) uLED or uLaser based on [**]

1.16 “**Granted License**” will have the meaning set forth in Section 2.1.

1.17 “**Improvements**” means any new data, process, manufacture, improvement, discovery, claim, formula, trade secret, technology or know-how based on the Licensed Technology.

1.18 “**Indemnified Party**” will have the meaning set forth in Section 9.3(a).

1.19 “**Indemnifying Party**” will have the meaning set forth in Section 9.3(a).

1.20 “**Intellectual Property Rights**” means any and all common law and statutory rights in, arising out of, or associated with the following,

throughout the world: patents, utility models, and applications therefor and all reissues, divisions, re-examinations, renewals, extensions, provisionals, continuations and continuations-in-part thereof and equivalent or similar rights in inventions and discoveries anywhere in the world, including invention disclosures, rights associated with trade secrets, confidential and proprietary information and know-how, industrial designs and any registrations and applications, copyrights, copyright registrations and applications therefor and all other rights corresponding thereto, database rights, mask works, mask work registrations and applications therefor and any equivalent or similar rights in semiconductor masks, layouts, architectures or topology, moral and economic rights of authors and inventors, however denominated and any similar or equivalent rights to any of the foregoing.

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1.21 **“Jointly Own”** means that each owner thereof is free to exploit such rights or property and authorize others to do so, with no obligation to account to the other party or owner, for profits or otherwise, subject, in the case of Atomistic and Atomistic UK, to any Granted License hereunder.

1.22 **“Licensed Patents”** means all U.S. and international patents (including, without limitation, Provisional Patents, originals, divisions, continuations, continuations in part or reissues) and U.S. and international patent applications in the Field that, at any time during the Term of this Agreement, are owned by Atomistic, Atomistic UK or to which either has the right to grant licenses anywhere in the world.

1.23 **“Licensed Technology”** means all Technology in the Field and all Intellectual Property Rights therein that, at any time during the Term of this Agreement, are owned by Atomistic, Atomistic UK or to which either has the right to grant licenses anywhere in the world. Licensed Technology includes, without limitation, any rights of Atomistic and/or Atomistic UK in any Jointly Owned Improvements. Licensed Technology does not include Licensed Patents.

1.24 **“Licensed Products”** means any product or service that is composed of or that includes Licensed Technology or Licensed Patents.

1.25 **“Person”** means any individual, corporation, limited or general partnership, limited liability company, limited liability partnership, trust, association, joint venture, or other entity or group.

1.26 **“Provisional Patents”** means all U.S. and international provisional patent applications that, at any time during the Term of this Agreement, are owned by Atomistic, Atomistic UK or to which either has the right to grant licenses anywhere in the world.

1.27 **“Restated Certificate”** means the amended by-laws filed by Atomistic with the Registry of Trade and Companies of Lille Métropole on or prior to the Effective Date.

1.28 **“Royalties”** means all consideration received or booked as revenue by Atomistic or any Subsidiary, including without limitation, royalty payments, milestone payments, upfront payments, development payments, earn-outs, consulting payments, related to or associated with:

(a) the sale, transfer, license or other grant of rights to or of the Licensed Technology and Licensed Patents (**“License Royalties”**); and

(b) the sale, transfer, lease or disposition of any products or services composed of or including Licensed Technology and/or which would infringe the Licensed Technology or Licensed Patents (**“Product Royalties”**).

1.29 **“Shareholders’ Agreement”** means that certain shareholders’ agreement that was executed and became binding upon the Parties as of the Effective Date.

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1.30 **“Stock Purchase Agreement”** means that certain stock purchase agreement that was executed and became binding upon the Parties as of the Effective Date.

1.31 **“Subsidiary”** means any Person that is ultimately controlled by Atomistic.

1.32 **“Technology”** means any and all of the following in the Field: works of authorship, computer programs, source code and executable code, whether embodied in software, firmware or otherwise, assemblers, applets, compilers, user interfaces, application programming interfaces, protocols, architectures, documentation, annotations, comments, designs, files, records, schematics, test methodologies, test vectors, emulation and simulation tools and reports, hardware development tools, models, tooling, prototypes, breadboards and other devices, data, data structures, databases, data compilations, data sets, data derived, arrangement, organization, manner of aggregation, criteria, labels, objects, images, sounds, collections, inventions (whether or not patentable), invention disclosures, discoveries, Improvements, technology, content, proprietary and confidential ideas and information, know-how and information maintained as trade secrets, tools, concepts, insights, input, output, outcomes, results, predictions, translations, analysis, visualizations, techniques, methods, processes, formulae, patterns, features, algorithms and specifications, customer lists and supplier lists and any and all instantiations or embodiments of the foregoing.

1.33 **“Third Party Claim”** will have the meaning set forth in Section 9.1(a).

1.34 **“Transaction Agreements”** means this Agreement, the Shareholders’ Agreement, the Stock Purchase Agreement, the Restated Certificate and any other agreements, instruments or documents entered into in connection with this Agreement.

1.35 **“uLED”** is an inorganic micro light emitting diode.

1.36 **“uLaser”** is an inorganic micro light emitting laser diode.

1.37 **“U.S.”** means the United States of America.

1.38 **“Vuzix Indemnified Parties”** will have the meaning set forth in Section 9.1(a).

2. License Grant.

2.1 Grant. Subject to the terms and conditions of this Agreement, Atomistic for itself and Atomistic UK hereby grants to Vuzix, and Vuzix hereby accepts, an exclusive, sub-licensable (the duration of which shall be limited according to Section 5.5(c)), transferable (to the extent permitted in Section 13.9) worldwide, fully-

paid up and royalty-free, perpetual (except if this license terminates as provided in Section 5.4 or as contemplated in Section 5.6) license under the Licensed Technology and Licensed Patents to develop, have developed, create derivative works, have created derivative works, make, have made, process, use, market, distribute, sell, offer for sale, promote and import Licensed Products during the Term of this Agreement (the “**Granted License**”). Atomistic and its Affiliates will retain the right to use the Licensed Technology and the Licensed Patents solely to perform continued development in the Field including any and all obligations Atomistic and/or Atomistic UK may have in any related project with Vuzix.

2.2 Reservation of Rights; No Implied Licenses All rights not granted herein by Atomistic are reserved.

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3. Payments.

3.1 Installment Payments. In consideration of the Granted License, the custom design of a Backplane and other rights of Vuzix in this Agreement, as long as this Agreement has not been previously terminated, Atomistic is not then in default of any of its obligations under this Agreement and no party (other than Vuzix) is in default of its obligations under the Stock Purchase Agreement, Vuzix has paid or will pay Atomistic the following amounts within the following time periods, or at such other times as agreed in writing by Vuzix and Atomistic:

- (a) \$2,110,000, which amount was paid prior to the Effective Date;
- (b) \$6,390,000 within ten (10) business days after the Effective Date;
- (c) \$3,000,000 within ten (10) business days of July 1, 2022;
- (d) \$7,000,000 within ten (10) business days of October 1, 2022;
- (e) \$2,000,000 within ten (10) business days of January 1, 2023;
- (f) \$6,000,000 within ten (10) business days of April 1, 2023;
- (g) \$1,500,000 within ten (10) business days of July 1, 2023;
- (h) \$1,000,000 within ten (10) business days of October 1, 2023; and
- (i) \$1,000,000 within ten (10) business days of December 31, 2023.

3.2 Granted License Renewal.

(a) Vuzix may (but is not obligated to) renew the Granted License for a calendar year beyond 31 December 2023 in such amount and in such manner as agreed between Vuzix and Atomistic.

(b) On or before December 1, 2023 (and each applicable December ^{1st} thereafter if applicable), Vuzix and Atomistic will either (a) agree in writing on a payment schedule for the following calendar year in such amounts and at such times as agreed and Vuzix will be obligated to make all payments as per such agreement (the “**Granted License Renewal**”); or (b) Vuzix will notify Atomistic that it will not renew the Granted License.

3.3 Currencies. Unless a different currency is specified, all payments under this Agreement will be made in United States dollars (“\$”).

3.4 Withholding Taxes. Vuzix may withhold appropriate tax from any payment to be made to Atomistic under this Agreement provided that such withholding is required by Applicable Laws and Vuzix submits the amounts withheld to the applicable tax authorities. In such event Vuzix will furnish Atomistic with proof of payment of such tax together with official or other appropriate evidence issued by the applicable government authority. In such event Vuzix will appropriately adjust the payments set forth in Section 3 so that the amount of such payments minus the amount of the taxes withheld by Vuzix is equal to the amounts set forth in Section 3.

3.5 Acceleration. For so long as Vuzix is required to make payments due according to Section 3, Vuzix may accelerate and pre-pay its payment obligations under this Agreement at any time in its sole discretion.

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4. Ownership and Use.

4.1 Subject to Section 4.3(b), Atomistic will own all right, title and interest in and to any and all Intellectual Property Rights which existed prior to the date of this Agreement or which it develops after the date hereof, including in the Field, which in the case of Licensed Technology and Licensed Patents is subject to the Granted License.

4.2 Vuzix will own all right, title and interest in and to any Improvements that are conceived, generated, or first reduced to practice solely by Vuzix and any of its Affiliates’ employees, agents or contractors. Atomistic will own all right, title and interest in and to any Improvements that are conceived, generated, or first reduced to practice solely by Atomistic employees, agents or contractors, and such Improvements will be subject to the Granted License.

4.3 Vuzix and Atomistic will Jointly Own all right, title and interest (including all Intellectual Property Rights) in and to (a) any Improvements that are jointly conceived, generated, or reduced to practice by Vuzix employees, agents or contractors, and Atomistic employees, agents or contractors during the Term as a result of the activities contemplated under this Agreement, subject to the Granted License in Jointly Owned Improvements (whether patented or unpatented); and (b) a [***], regardless of whether it was jointly conceived, generated, or reduced to practice by Vuzix employees, agents or contractors, and Atomistic employees, agents or contractors during the Term or independently by Atomistic except that Vuzix shall own exclusively any design files and [***] (the “**Design Elements**”) and Atomistic will retain the right to use the Design Elements for its development with no restrictions or limitations, financial or otherwise. Should the Granted License be terminated according to Section 5.4 then Atomistic shall have a fully paid-up, royalty-free, irrevocable, perpetual and non-exclusive right to use and sublicense the Design Elements.

5. Term and Termination.

5.1 Term. The term of this Agreement will commence as of the Effective Date and will continue (unless terminated sooner as set forth below) until the later of (i) twenty-five (25) years from the Effective Date, or (ii) the last Licensed Patent expires in every jurisdiction, at which point the licenses granted hereunder will be deemed fully paid-up, royalty-free, irrevocable, and perpetual and non-exclusive (the “**Term**”).

5.2 Termination by Atomistic. Atomistic may terminate this Agreement upon written notice to Vuzix in the event that:

(a) Vuzix has failed to pay any amounts when due under Section 3, or as otherwise agreed in writing by the Companies, within thirty (30) days following receipt by Vuzix of written notice from Atomistic demanding the payment of such amount;

(b) Vuzix has failed to perform any other material obligation under this Agreement, and has failed to cure such non-performance within sixty (60) days following receipt by Vuzix of written notice from Atomistic specifying in reasonable detail the nature of such failure; or

(c) A voluntary agreement is approved, or an administration order is made, or a receiver or administrative receiver is appointed over any of Vuzix’s assets or undertaking or a resolution or petition to wind up Vuzix is passed or presented (other than for the purposes of a genuine scheme of solvent amalgamation or reconstruction) or if any circumstances arise which entitle the court or a creditor to appoint a receiver, administrative receiver or administrator or to present a winding-up petition or make a winding-up order or Vuzix ceases to carry on business; or if Vuzix suffers any event in a foreign jurisdiction analogous to or comparable with any of the foregoing.

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5.3 Termination by Vuzix. Vuzix may terminate this Agreement as follows:

(a) if Atomistic has failed to perform any material obligation under this Agreement, and has failed to cure such non-performance within sixty (60) days following receipt by Atomistic of written notice from Vuzix specifying in reasonable detail the nature of such failure;

(b) if Atomistic, Atomistic UK, JS or JW fail to perform any material obligation under the Transaction Agreements that are not cured within any applicable cure periods in such agreements; or

(c) upon the death or Disability [**]

5.4 Termination of Granted License. Atomistic may terminate the Granted License as follows:

(a) If Vuzix fails to make any payment when due under Section 3, or as otherwise agreed in writing by the Companies, within thirty (30) days following receipt by Vuzix of written notice from Atomistic demanding the payment of such amount;

(b) If Vuzix does not fund an annual agreed Granted License Renewal for the Licensed Technology under Section 3.2(b), then Atomistic may terminate the Granted License effective on the January 1st immediately following the applicable December 1st contemplated by Section 3.2(b); or

(c) Vuzix breaches its obligations under Section 2 of the Stock Purchase Agreement, which breach is not cured within thirty (30) days following receipt by Vuzix of written notice under the Stock Purchase Agreement of such breach.

5.5 Certain Effects of Termination.

(a) Vuzix will have no obligation to pay any amounts under Section 3 for any payments having a payment date that are after the effective date of a termination by Vuzix under Section 5.3; and

(b) If Atomistic terminates the Granted License under Section 5.4(b), Atomistic will pay Vuzix:

(i) [**] License Royalties according to the provisions set forth on Appendix A;

(ii) [**] royalty rate agreed to by the Companies of all Product Royalties according to the provisions set forth on Appendix A. If the Companies are unable to agree on the royalty rate in this Section 5.5(b)(ii), they will engage a third-party having expertise and knowledge of the royalty rates for sales of products such as those that are subject to the Product Royalties to set the applicable royalty rate and that third-party’s determination will be binding on the Companies which will split any fees incurred for the third-party; and

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(iii) If Atomistic chooses to terminate its business operations associated with work in the Field, Vuzix will pay Atomistic within thirty (30) days of being notified of its actual, documented and necessary out-of-pocket costs to reduce or cease its and any Subsidiary operations and activities directly associated with work in the Field and to pay severance to terminated employees after such termination (assuming that such development efforts or the services of such employees do not resume whether as employees or contractors other than by those who remain that are required to manage the affairs of the business), which process must be completed within six (6) months after such a termination or such additional period of time necessary to comply with Applicable Law. If upon notice Vuzix requests that Atomistic extend the period of time to reduce or cease its operations up to twelve (12) months then Vuzix and Atomistic will in good faith discuss the timing and costs for such an extended period. If the Companies are unable to agree, they will engage a third-party having expertise and knowledge to fix timing and costs for such an extended period, that third-party’s determination will be binding on the Companies. If once the agreement regarding a plan and additional payments by Vuzix to Atomistic is reached then Atomistic will reduce or cease its operations according to such plan.

(c) If Atomistic terminates the Granted License under Section 5.4 then any sublicenses granted by Vuzix in connection with the exercise of Vuzix’s right to have made, have developed and have created derivative works will automatically and immediately terminate.

5.6 Survival. Termination or expiration will not relieve Vuzix or Atomistic from any obligations accrued as of the date of such termination or expiration. The rights and obligations of Vuzix and Atomistic under Sections 3, 6.4, 7, 8, 9, 10 and 11, will survive termination or expiration of this Agreement. Upon expiration or termination of this Agreement by Atomistic, the Granted License will immediately terminate. The Granted License will survive termination by Vuzix under Section 5.3.

6. Warranties, Representations and Covenants.

6.1 Representations and Warranties of the Parties. Each of the Parties severally and only with regard to themselves (for only this Section 6.1 each a "Warrantor") represents, warrants and covenants that:

(a) Authority. Such Warrantor possesses all right, title, interest, and authority necessary to enter into this Agreement, perform its obligations hereunder and grant the rights embodied herein and that it is not aware of any legal impediment that would inhibit its ability to perform its obligations under this Agreement.

(b) No Conflicts. That the execution, delivery, and performance of this Agreement by such Warrantor does not: (i) conflict with, or constitute a breach of, any order, judgment, agreement or instrument to which such Warrantor is a party or is otherwise bound; or (ii) require the consent of any person or entity (or if such consent is required, such Warrantor warrants that such consent has been sought and granted prior to the Effective Date).

(c) Anti-Corruption. That such Warrantor has not and will not:

(i) violate or violated any Anti-Corruption Laws; and

(ii) directly or indirectly made or make any offer, payment, promise to pay, or authorize payment, or offer a gift, promise to give, or authorize the giving of anything of value to any government official or any other person while knowing or having reason to know that all or a portion of such money, gift or thing of value will be offered, paid or given, directly or indirectly, to any government official, for the purpose of (1) improperly influencing an act or decision of the government official in his or her official capacity, (2) improperly inducing the government official to do or omit to do any act in violation of the lawful duty of such official, (3) securing an improper advantage, or (4) inducing the government official to use their influence to affect or influence any act or decision of a government or instrumentality, in order to assist that Warrantor or any of its affiliates in obtaining or retaining business. If a Warrantor learns or comes to have reason to know of any payment or transfer (or any offer or promise to pay or transfer) in connection with this Agreement that would violate Anti-Corruption Laws, it shall immediately disclose it to the other Warrantors.

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6.2 Representations and Warranties of Atomistic, JS and JW. Each of Atomistic, JS and JW represent, warrant and covenant severally and only with regard to themselves the following:

(a) Compliance with Laws. Each of them will comply with all Applicable Laws.

(b) Ownership of and Right to Use Intellectual Property. There are no third party joint owners and Atomistic owns the entire right, title and interest in and to the Licensed Patents and Licensed Technology, free of any lien, contractual commitment or other encumbrance; and that no licenses have been issued by Atomistic, Atomistic UK, JS or JW to any other party to permit any third-party to make, have made, use, sell, offer to sell or import products containing the Licensed Patents, Licensed Technology or any Technology in the Field.

(c) No Claims. There have been no claims made against Atomistic, Atomistic UK, JS or JW asserting the invalidity, unenforceability, abuse or misuse of any of the Licensed Technology and Licensed Patents, and, to their knowledge, no grounds for any such claims exist. Neither Atomistic nor Atomistic UK, nor JS nor JW has made any claim of any violation or infringement or misappropriation by others of Atomistic's rights in the Licensed Technology, or the Licensed Technology or Licensed Patents. Neither Atomistic nor Atomistic UK, nor JS nor JW has received any written notice that any of them is in conflict with or infringing upon the asserted rights of others in connection with the Licensed Technology, or the Licensed Technology or Licensed Patents.

(d) Third Party Intellectual Property. To the best of its knowledge, there are no patent or other Intellectual Property Rights owned or controlled by any third party that would prevent Vuzix from making, using, selling, offering for sale or importing the Licensed Products pursuant to this Agreement.

(e) No Conflicting Licenses. No licenses, non-assertions or covenants not to sue under the Licensed Technology or Licensed Patents, and no rights to make, have made, use, sell, offer for sale, promote or import products containing the Licensed Technology or Licensed Patents, have been or will be granted by any of them during the Term of this Agreement and as long as the Granted License has not been terminated under Section 5.4.

(f) No Receipt of Government Support. No research support was received from any government body relating to the research or development of the Licensed Technology or Licensed Patents.

6.3 Representations and Warranties of Atomistic. Atomistic represents and warrants the following:

(a) Written Assignments. All employees, independent contractors, (including JS and JW) of Atomistic and Atomistic UK have or will execute and UK Atomistic has executed written assignments expressly assigning to Atomistic all right, title and interest to any and all intellectual property in the Field.

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(b) Government Official. Unless disclosed to Vuzix in a separate written statement, none of its employees, directors, officers or principals is a government official with jurisdiction. Atomistic shall notify Vuzix in writing within ten (10) days if at any time during the term of this Agreement any of its employees, directors, officers or principals is named, appointed, or otherwise becomes a government official.

6.4 Disclaimer. EXCEPT FOR THE WARRANTIES SET FORTH IN THIS SECTION 6 (WARRANTIES), EACH OF ATOMISTIC, JS, JW AND VUZIX MAKE NO WARRANTIES, EXPRESS, IMPLIED, STATUTORY OR OTHERWISE, AND SPECIFICALLY DISCLAIM ANY IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NONINFRINGEMENT AND TITLE.

6.5 Covenants.

(a) Restrictions. During the Term of this Agreement, as long as the Granted License has not been terminated under Section 5.2 or Section 5.4 and except for such use as is required for Atomistic to perform its obligations under this Agreement, Atomistic, JS and JW will not directly or indirectly:

(i) provide research, development or other services to any Person in the Field;

(ii) engage in research and development in the Field other than (1) in connection with this Agreement or (2) in and through Atomistic and

- (iii) grant to any Person any license, covenant not to sue, non-assertion covenant or other right to or under any Licensed Technology, any Licensed Patent or Technology in the Field;
- (iv) [**]
- (v) sell, assign or transfer to any Person Licensed Technology, any Licensed Patent or Technology in the Field; and
- (vi) make, have made, sell or offer any product, component or subassembly composed of or including any Licensed Technology and/or which would infringe the Intellectual Property Rights in the Field of Atomistic.

(b) Invention Assignments. Atomistic will have all former, existing, and new employees, independent contractors, including JS and JW, execute written assignments expressly assigning to Atomistic all right, title and interest to any and all Intellectual Property Rights that are (i) encompassed by the Licensed Technology and Licensed Patents and (ii) conceived, developed, invented, created, or reduced to practice in the Field during the term of their employment or relationship with Atomistic.

(c) Use of Third-Party Intellectual Property Rights Atomistic and Atomistic UK shall not knowingly cause their respective employees and contractors to include, embed or incorporate into any Technology developed or licensed under this Agreement any Intellectual Property Rights owned or controlled by any third-party, including any open source technology, without Vuzix's prior consent.

7. Patent Preparation, Filing, Prosecution, Maintenance, Marking and Indexing

7 . 1 Responsibility. Atomistic is responsible for preparing, filing, prosecuting, and maintaining the Licensed Patents, including any interferences, oppositions, reissues or reexaminations (all such actions collectively, "Prosecution" or to "Prosecute"). Atomistic will provide Vuzix with any Prosecution-related filings at least 15 days in advance of filing, and keep Vuzix apprised of the status of Licensed Patents and Prosecution matters. Atomistic will prepare a patent prosecution plan and strategy with respect to Technology in the Field, which plan it will update and provide to Vuzix prior to filing any applications. If Vuzix desires for Atomistic to Prosecute corresponding foreign counterpart(s) of any Licensed Patent in any jurisdiction(s) in which Atomistic has not filed or has decided not to file such corresponding foreign counterpart(s), Atomistic will Prosecute the foreign counterpart(s) of the corresponding Licensed Patent in the jurisdiction(s) requested by Vuzix if, and only if, Vuzix pays Atomistic the out-of-pocket costs and expenses for Prosecuting the foreign counterpart(s) in such jurisdictions.

7 . 2 Abandonment. If Atomistic desires to abandon any patent or patent application that is part of the Licensed Patents (an "Abandoned Patent"), it will provide reasonable written notice to Vuzix and provide Vuzix the opportunity, at Vuzix's expense, to assume responsibility for preparing, filing, prosecuting, and maintaining such Abandoned Patent, and, in such case, Atomistic will assign all right, title and interest in and to such Abandoned Patent to Vuzix.

7 . 3 Cooperation. Vuzix and Atomistic will cooperate in preparing, filing, prosecuting, and maintaining any patent applications and patents (including Jointly Owned Improvements) developed jointly by Vuzix and Atomistic during the Term of this Agreement.

7 . 4 Patent Prosecution and Maintenance Costs Atomistic will pay for all costs associated with procuring and maintaining any Licensed Patent other than those costs in Section 7.3, which Vuzix shall bear, and as contemplated by the last sentence of Section 7.1.

8. Infringement of Intellectual Property. Unless and until the Granted License is terminated:

8.1 Notice: Enforcement Actions. If Atomistic becomes aware of any claim for infringement or threatened infringement of any of the Licensed Patents, then Atomistic will give written notice to Vuzix within thirty (30) days of becoming aware of such infringement or threat. Vuzix will have the right, but not the obligation, at its expense to request that Atomistic bring an enforcement action and take any other reasonable steps to enforce the Licensed Patents, which steps may include the negotiation of appropriate settlements and cross-licenses (which cross-licenses will be subject to the terms of this Agreement as a sub-license). Atomistic will have the right to approve any settlement, cross-license, or similar arrangement, such approval not to be unreasonably withheld or delayed. In deciding whether or not to bring an action or take other steps to defend, Vuzix will be entitled to consider strategic and financial factors that are critical to Vuzix's business. Atomistic hereby agrees to be joined as a party to any such action. Atomistic may retain its own counsel at its own expense or may elect to be represented in the enforcement action by Vuzix's counsel. If Vuzix does not initiate a response to any infringement claim within ninety (90) days after it has received written notice thereof, Atomistic may request that Vuzix commence an infringement action or other appropriate action or response. If Vuzix declines to do so or fails to respond to Atomistic's request within sixty (60) days after receipt thereof, then Atomistic will have the right to undertake such action itself at its own expense. Vuzix will have the right to approve any settlement, cross-license, or similar arrangement, such approval not to be unreasonably withheld or delayed.

8.2 Distribution of Amounts Paid. In any legal proceeding requested to be brought by Vuzix and funded solely by Vuzix, Vuzix will retain [**] of any proceeds and Vuzix will pay Atomistic [**] of any amounts recovered as a result of the proceeding. If a proceeding is brought by Atomistic and funded solely by Atomistic and the Granted License has not been terminated, Atomistic will retain [**] of any

proceeds and Atomistic will pay Vuzix [**] of any amounts recovered as a result of the proceeding. Any direct costs borne by either Vuzix or Atomistic in bringing an action will be allocated between to Vuzix and Atomistic in proportion to their share of the recovery under this Section 8.2.

9. Indemnification.

9.1 Atomistic Indemnification.

(a) Indemnity. Atomistic will indemnify, defend and hold harmless Vuzix, its Affiliates, and their directors, officers, agents and employees (collectively, the "Vuzix Indemnified Parties") from and against all claims, demands, losses, liabilities, damages, costs and expenses (including reasonable attorneys' fees and any costs of settlement) incurred by the Vuzix Indemnified Parties resulting from or arising in connection with any claim, suit, action or proceeding brought by a third party (a "Third Party Claim") brought against any such Vuzix Indemnified Party based on:

- (i) a breach of any covenants, representations or warranties made by Atomistic hereunder;
- (ii) any act or omission constituting recklessness, gross negligence or willful misconduct on the part of Atomistic.

(b) Limitations on Atomistic Indemnification. Atomistic will have no obligation to indemnify, defend or hold harmless the Vuzix Indemnified Parties in connection with any Third Party Claim to the extent such Third Party Claim is covered by Vuzix's obligations under Section 9.2, or arises from: (i) a Vuzix Indemnified Party's breach of any of Vuzix's covenants, obligations, agreements, representations or warranties hereunder; or (ii) any act or omission constituting recklessness, negligence or willful misconduct on the part of any of the Vuzix Indemnified Parties.

9.2 Vuzix Indemnification.

(a) Indemnity. Vuzix will indemnify, defend and hold harmless Atomistic, its Affiliates, and their directors, officers, agents and employees (collectively, the "**Atomistic Indemnified Parties**") from and against all claims, demands, losses, liabilities, damages, costs, and expenses (including reasonable attorneys' fees and any costs of settlement) incurred by the Atomistic Indemnified Parties resulting from or arising in connection with a Third Party Claim brought against any such Atomistic Indemnified Party based on:

- (i) a breach of any of any covenants, representations or warranties made by Vuzix hereunder;
- (ii) any act or omission constituting recklessness, gross negligence or willful misconduct on the part of Vuzix.

(b) Limitations on Vuzix Indemnification. Vuzix will have no obligation to indemnify, defend or hold harmless the Atomistic Indemnified Parties in connection with any Third Party Claim to the extent such Third Party Claim is covered by Atomistic's obligations under Section 9.1, or arises from: (i) an Atomistic Indemnified Party's breach of any of Atomistic's covenants, obligations, agreements, representations or warranties hereunder; or (ii) any act or omission constituting recklessness, gross negligence or willful misconduct on the part of any of the Atomistic Indemnified Parties.

9.3 Indemnification Procedure.

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(a) Notification and Cooperation. The party seeking indemnification hereunder (the "**Indemnified Party**") will: (i) promptly notify in writing the party obligated to indemnify (the "**Indemnifying Party**") of any claim, action or proceeding of a third party for which the Indemnified Party seeks indemnification; and (ii) cooperate fully with the Indemnifying Party and its legal representatives in the investigation of any such claim, action or proceeding. The Indemnified Party's failure to comply with its obligations under this Section 9.3 will not constitute a breach of this Agreement nor relieve the Indemnifying Party of its indemnification obligations hereunder, except to the extent, if any, that the Indemnifying Party's defense or settlement of the affected claim, action or proceeding was actually and materially impaired thereby.

(b) Defense. The Indemnifying Party will conduct, at its own expense, the defense of any and all such claims, charges, suits or other actions by a third party, and the Indemnified Party may, at its own expense, assist in such defense if it so chooses, provided that the Indemnifying Party will control such defense and all negotiations relative to the settlement of any such claim. Notwithstanding the foregoing, either party may elect to assume the defense of any Third Party Claim against, as the case may be, the Atomistic Indemnified Parties or the Vuzix Indemnified Parties and such assuming party will reimburse the other party for all reasonable expenses (including reasonable attorneys' fees which may include, without limitation, an allocation for in-house counsel) as such expenses are incurred, relating to the defense of such Third Party Claim. Neither party will settle or admit liability with respect to any such claims, charges, suits or other actions which could result in liability to the other party without the prior written consent of the other party, which consent will not be unreasonably withheld or delayed.

10. Limitation of Liability.

10.1 NOTWITHSTANDING ANYTHING IN THIS AGREEMENT TO THE CONTRARY, NO PARTY, NOR THEIR RESPECTIVE AFFILIATES, DIRECTORS, OFFICERS, EMPLOYEES OR AGENTS, WILL HAVE ANY LIABILITY TO THE OTHER FOR ANY SPECIAL, INCIDENTAL, INDIRECT OR CONSEQUENTIAL DAMAGES SUCH AS LOSS OF OPPORTUNITY, USE, REVENUE OR PROFIT, IN CONNECTION WITH OR ARISING OUT OF THIS AGREEMENT, EVEN IF SUCH DAMAGES WERE FORESEEABLE, EXCEPT FOR ANY DAMAGES ARISING FROM BREACH OF A PARTY'S CONFIDENTIALITY OBLIGATIONS UNDER THIS AGREEMENT AND EXCEPT FOR ANY DAMAGES ARISING FROM BREACH OF A PARTY'S INTELLECTUAL PROPERTY RIGHTS.

10.2 No party excludes or limits their liability in respect of the death of, or personal injury caused to, any person by negligence or for fraudulent misrepresentation by either party or any other liability which by law neither party can limit or exclude.

11. Confidentiality.

11.1 Nondisclosure and Nonuse Obligations. During the Term of this Agreement, and thereafter following expiration or termination hereof, each party will maintain all Confidential Information of the other parties disclosed to it on or after June 4, 2021 in trust and confidence and will not disclose any Confidential Information of the other parties to any third party or use any Confidential Information of the other parties except to the extent required to enjoy its rights or comply with its obligations under this Agreement. Confidential Information will be disclosed only to employees, agents, Affiliates, and consultants who have a need for such information and who are bound by obligations of nondisclosure and non-use at least as restrictive as those set forth herein. Each party will be responsible for any disclosure or use of the Confidential Information by such employees, agents, Affiliates, and consultants. Each party will protect the other parties' Confidential Information using not less than the same standard of care with which it treats its own Confidential Information, but at all times will use at least reasonable care.

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11.2 Exceptions. Confidential Information will not include any information which:

- (a) is now, or lawfully becomes, generally known or available to the public through no fault of the recipient;
- (b) is known by the receiving party at the time of receiving such information without there having been a breach of any obligations of confidentiality by any person;
- (c) is hereafter lawfully furnished to the receiving party by a third party, as a matter of right and without restriction on disclosure;
- (d) is independently developed by the receiving party without any breach of this Section 11 as evidenced by its written records; or

(e) is the subject of a written permission to disclose provided by the disclosing party.

11.3 Authorized Disclosure. Notwithstanding any other provision of this Agreement, each party may disclose Confidential Information of another party if such disclosure is required: (a) by an order of a court or other governmental body, or any political subdivision thereof or arbitral panel with jurisdiction over the disclosing party; or (b) by Applicable Laws or regulation (including, without limitation, to comply with any applicable stock exchange disclosure requirements), but only to the extent that any such disclosure is necessary. With respect to any order of a court or other governmental body, the disclosing party will first have given written notice to the other party hereto, will have made a reasonable effort to obtain a protective order requiring that the Confidential Information so disclosed be used only for the purposes for which the order was issued and will cooperate with the other party to minimize the scope and content of such disclosure. With respect to disclosure required by Applicable Laws or regulations (including, without limitation, any applicable stock exchange disclosure requirements), the disclosing party will first give written notice to the other party hereto and will, to the extent practicable, allow the other party sufficient time to comment on the content of such disclosure and will consult with the other party with respect to the comments of such other party.

11.4 Obligations at End of Term. Each party agrees, at the request of any other party, upon the expiration or termination of this Agreement under Section 5.2 or Section 5.3, to destroy all originals and copies of the other party's Confidential Information and to certify in writing such destruction to the other party; provided, however (a) that the receiving party may keep one copy of the other party's Confidential Information in a secure location, solely for purposes of enforcing and determining such party's rights and obligations under this Agreement and (b) in the event of a termination under Section 5.3 Vuzix may retain the Company's Confidential Information to exercise its rights under the Granted License.

11.5 Injunctive Relief. The Parties agree that any breach of the restrictions contained in Section 11 may cause irreparable harm to the non-breaching party entitling the non-breaching party to seek injunctive or other preliminary relief in addition to all other legal remedies.

12. Publicity. All publicity, press releases and other announcements regarding this Agreement or the transactions contemplated hereby will be reviewed in advance by, and subject to the written approval of the Companies; provided, however, that either Vuzix or Atomistic may, without the written consent of the other, disclose the terms of this Agreement insofar as required to comply with Applicable Laws (including, without limitation, any applicable stock exchange disclosure requirements). The disclosing party will consult with the other with respect to the comments of the other and the Companies will cooperate to minimize the scope and content of such disclosure.

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13. Miscellaneous.

13.1 Bankruptcy. The Granted License for all purposes of Section 365(n) of Title XI of the United States Code (**“Title XI”**), are licenses of rights to intellectual property as defined in Title XI. During the Term of this Agreement, Atomistic will create and maintain current copies to the extent practicable of all such intellectual property. If a bankruptcy proceeding is commenced by or against Atomistic under Title XI, Vuzix will be entitled to a copy of any and all such intellectual property, and the same, if not in the possession of Vuzix, will be promptly delivered to it (a) upon Vuzix's written request following the commencement of such bankruptcy proceeding, unless Atomistic, or its trustee or receiver, elects within thirty (30) days to continue to perform all of its obligations under this Agreement, or (b) if not delivered as provided under Section 13.1(a) above, upon Vuzix's request following the rejection of this Agreement by or on behalf of Atomistic. If Vuzix has taken possession of all applicable embodiments of the intellectual property of Atomistic pursuant to this Section 13.1 and the trustee in bankruptcy of Atomistic does not reject this Agreement, Vuzix will return such embodiments upon request. If Atomistic seeks or involuntarily is placed under Title XI and the trustee rejects this Agreement as contemplated under 11 U.S.C. 365(n)(1), Vuzix hereby elects pursuant to Section 365(n) to retain all rights granted to Vuzix under this Agreement to the extent permitted by law.

13.2 Notices. All notices required or permitted hereunder will be given in writing to the following addresses and will be deemed given (a) when received if sent by an internationally recognized express courier service, or (b) on the date sent by email if sent during normal business hours of the recipient or on the next business day if sent outside of normal business hours of the recipient:

To Atomistic: Atomistic SAS
3 Boulevard de Belfort
59000 Lille
France
Attn: Jonathan Sachs
Email: [**]

To JS: Jonathan Sachs
[**]

To JW: Jerry Woodall
[**]

To Vuzix: Vuzix Corporation
25 Hendrix Road
West Henrietta, New York 14586
Attn: Legal Department
Email: legal@vuzix.com

Copy to: Harter Secrest & Emery LLP
1600 Bausch & Lomb Place
Rochester, NY 14604

Attn: Thomas R. Anderson, Esq.

Email: tanderson@hslaw.com

13.3 Captions and Section References. The titles, headings or captions in this Agreement do not define, limit, extend, explain or describe the scope or extent of this Agreement or any of its terms or conditions and therefore will not be considered in the interpretations, construction or application of this Agreement.

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13.4 Severability. If any term or provision of this Agreement will be found to be invalid, illegal or otherwise unenforceable, such finding will not affect the other terms or provisions of this Agreement, or the whole of this Agreement, but such term or provision will be deemed modified to the extent necessary to render such term or provision enforceable, and the rights and obligations of the Parties will be construed and enforced accordingly, preserving to the fullest permissible extent the intent and agreements of the Parties set forth in this Agreement.

13.5 Amendment. No amendment, change or modification of any of the terms, provisions or conditions of this Agreement will be effective unless made in a writing that expressly references this Agreement and is signed on behalf of the Parties hereto by their duly authorized representatives.

13.6 Waiver. No waiver of any term, provision or condition of this Agreement, whether by conduct or otherwise, in any one or more instances, will be deemed to be or construed as a further or continuing waiver of any such or other term, provision or condition of this Agreement.

13.7 Force Majeure. No party will be liable hereunder to the other party nor will be in breach for failure to perform its obligations caused by circumstances beyond the control of the party, including, but not limited to: acts of nature; fires; earthquakes; floods; riots; wars; civil disturbances; sabotage; accidents; shortages or government actions. In the case of any such event, the affected party will promptly notify the other parties, and will keep the other parties informed of the event in writing specifying the extent to which its performance will likely be affected. The party affected will exert reasonable diligent efforts to eliminate, cure or overcome any such cause and resume performance as soon as practicable.

13.8 Benefits and Binding Nature of Agreement. This Agreement will be binding upon and will inure to the benefit of the Parties hereto and their respective successors and assigns permitted under this Agreement.

13.9 Assignment: Change in Control. The rights under this Agreement may not be assigned by the Companies (the “**Assigning Party**”) without the written consent of the other except (a) to any Affiliate of the Assigning Party or (b) to any party which acquires substantially all of the assets and business of the Assigning Party to which this Agreement pertains; provided that, in the event of any such permitted assignment, the Assigning Party will remain primarily responsible for all of its obligations and agreements set forth herein, notwithstanding such assignment and that, in the case of an acquisition of a controlling interest in Atomistic, the acquirer of such a controlling interest will assume responsibility for fulfilling Atomistic’s obligations under this Agreement.

13.10 Entire Agreement. This Agreement sets forth the entire agreement between the Parties hereto pertaining to the subject matter hereof and supersedes and terminates all previous agreements, memoranda or letters of proposal or intent between the Parties hereto in connection with the subject matter hereof entered into prior to the Effective Date.

13.11 Governing Law and Forum. This Agreement and all claims related to it, its execution or the performance of the Parties under it, will be construed and governed in all respects according to the laws of the State of New York. The Parties agree that all actions or proceedings arising in connection with this Agreement will be tried and litigated exclusively in the courts located in the Western District of New York. This choice of venue is intended by the Parties to be mandatory and not permissive in nature, and to preclude the possibility of litigation between the Parties with respect to, or arising out of, this Agreement in any jurisdiction other than that specified in this Section 13.11. Each party consents to the jurisdiction of such courts and waives any right it may have to challenge the jurisdiction of such court under the law of any jurisdiction, including asserting the doctrine of forum non-conveniens or similar doctrine under any law, or to object to venue with respect to any proceeding brought in accordance with this Section 13.11 on any grounds or any law.

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13.12 Dispute Resolution. If any dispute arises between the Parties with respect to the interpretation or breach of this Agreement, any party may notify the others of the dispute in writing and the Parties will attempt to resolve the dispute through discussions. If such Parties are unable to resolve the dispute within thirty (30) days after the date written notice of the dispute is delivered, any party may seek such other remedy, at law or in equity, as it may deem necessary or appropriate.

13.13 Counterparts. This Agreement may be executed in counterparts and signed electronically by means of a reliable identification process implemented by DocuSign® (www.docuSign.com). For purposes hereof, a facsimile or scanned copy of this Agreement, including the signature page hereto, will be deemed to be an original. Notwithstanding the foregoing, the Parties will deliver original execution copies of this Agreement to one another as soon as practicable following execution thereof.

13.14 Duty to Comply. The Parties shall in the performance of this Agreement comply with all Applicable Laws, executive orders, regulations, ordinances, rules, proclamations, demands, and requisitions of all applicable state, local, national, or other governmental authority which may now or hereafter govern performance hereunder including, without limitation, all laws, executive orders, regulations, ordinances, rules, and proclamations.

13.15 U. S. Export Control. Neither Vuzix or Atomistic will use, distribute, transfer or transmit any Licensed Products or technical information (even if incorporated into other products) provided under this Agreement except in compliance with relevant export laws and regulations (the “**Export Laws**”). Neither Vuzix or Atomistic will, directly or indirectly, export or re-export the Licensed Products to any country, or to a national of any country that is in the then current list of prohibited countries specified in the applicable Export Laws. The obligations stated above in this clause will survive the expiration, cancellation or termination of this Agreement or any other related agreement.

13.16 Conflict Minerals. Atomistic agrees to comply with and follow policies relating to Conflict Minerals, in compliance with the Dodd-Frank Wall Street Reform and Consumer Protection Act. In the event these policies require disclosure of party’s business relationship for compliance, then any applicable confidentiality obligations set forth in this or any other agreement are expressly waived with respect to such disclosures.

13.17 Language. All correspondence between the Parties shall be conducted in English.

13.18 Independent Manufacturing and Design. Atomistic hereby acknowledges that Vuzix engages in independent and concurrent manufacturing and design relating to electronics, optics, displays, computers, software and related matters. This Agreement and any disclosures hereunder shall not limit such manufacturing, designing, licensing and selling activities involving technology or ideas similar in nature to that disclosed by Atomistic, Atomistic UK, JS and JW hereunder or prevent Vuzix from undertaking similar efforts or discussions with third parties, including competitors of Atomistic, provided that Vuzix complies with the obligations of confidentiality in this Agreement and does not misappropriate the Confidential Information of Atomistic or any of its subsidiaries. Except as specifically set forth in Section 6.5(a) and otherwise under this Agreement, this Agreement and any disclosures hereunder shall not limit the manufacturing, designing, licensing and selling activities of Atomistic or Atomistic UK involving technology or ideas similar in nature to that disclosed by Vuzix hereunder or prevent Atomistic or Atomistic UK from undertaking similar efforts or discussions with third parties, including competitors of Vuzix, provided that Atomistic or Atomistic UK comply with the obligations of exclusivity and confidentiality in this Agreement and do not misappropriate the Confidential Information of Vuzix.

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13.19 Independent Contractors. The Companies are independent contractors. Nothing in this Agreement is intended to establish or authorize either party as an agent, partner, legal representative, joint venture, franchisee, employee, or servant of the other for any purpose. Neither of the Companies nor any of their employees are entitled to participate in any of the other's benefit plans, including but not limited to stock option plans, stock participation plans, profit sharing, retirement or pension plan contributions or savings or medical plans. Neither of the Companies will make any contract, agreement, warranty, or representation on behalf of the other, or incur any debt or other obligation in the name of the other, or act in any manner that has the effect of making one of the Companies the apparent agent of the other. Neither of the Companies will assume liability for, or be deemed liable as a result of, any such action by the other. Neither Atomistic or Vuzix will be liable by reason of any act or omission of the other in the conduct of its business or for any resulting claim or judgment.

13.20 No Benefit to Others. The provisions of this Agreement are for the sole benefit of the Parties and their successors and permitted assigns, and they shall not be construed as conferring any rights in any other persons except as otherwise provided in this Agreement.

[Signatures on next page.]

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IN WITNESS WHEREOF, the Companies, and as limited for JS and JW to Sections 1, 6.1, 6.2, 6.5(a), 10, 11 and 13 as listed in the preamble and on this signature page, have caused this Agreement to be executed as of the Effective Date.

Atomistic SAS

By: /s/ Jonathan Sachs

Name: Jonathan Sachs

Title: President

/s/ Jonathan Sachs

Jonathan Sachs only with regard to Sections 1, 6.1, 6.2, 6.5(a), 10, 11 and 13.

/s/ Jerry Woodall

Jerry Woodall only with regard to Sections 1, 6.1, 6.2, 6.5(a), 10, 11 and 13.

Vuzix Corporation

By: /s/ Paul Travers

Name: Paul Travers

Title: President & CEO

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APPENDIX A

Royalty Provisions

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Certain identified information has been excluded from the exhibit because it is both (i) not material and (ii) would likely cause competitive harm to the registrant if publicly disclosed.

STOCK PURCHASE AGREEMENT

THIS STOCK PURCHASE AGREEMENT (this “**Agreement**”) is made as of the Effective Date (as defined below) between and among Vuzix Corporation, a Delaware corporation having its place of business at 25 Hendrix Road, Suite A, West Henrietta, New York 14586 (“**Vuzix**”), Atomistic SAS, a simplified stock company formed under the laws of France with a place of business at 3 Boulevard de Belfort, 59000 Lille, France (the “**Company**”) and each of Jonathan Sachs (“**JS**”) and Jerry Woodall (“**JW**”) (each a “**Founder**” and together the “**Founders**”). Vuzix, the Company and each Founder are referred to herein individually as a “**Party**” and collectively as “**Parties**.”

The parties hereby agree as follows:

1. Definitions.

1.1 Defined Terms Used in this Agreement. In addition to the terms defined elsewhere in this Agreement the following terms used in this Agreement will be construed to have the meanings set forth or referenced below:

(a) “**Affiliate**” means, with respect to any specified Person, any other Person who, directly or indirectly, controls, is controlled by, or is under common control with such Person, including, without limitation, any general partner, managing member, officer, director or trustee of such Person, or any venture capital fund or registered investment company now or hereafter existing that is controlled by one or more general partners, managing members or investment advisers of, or shares the same management company or investment adviser with, such Person.

(b) “**Atomistic UK**” means Atomistic Ltd. (Company Number 13607578), a private limited company formed under the laws of England and Wales.

(c) “**Backplane**” has the meaning ascribed to it in the License Agreement.

(d) “**Change of Control Transaction**” means any of the following or combination of the following in one or a series of related transactions: (i) the sale, lease, transfer or other disposition of all or substantially all of Vuzix’s assets in one transaction or a series of related transactions; (ii) the merger or consolidation of Vuzix with or into another entity (except a merger or consolidation in which the holders of capital stock of Vuzix immediately prior to such merger or consolidation continue to hold at least 50% of the voting power of the capital stock of Vuzix or the surviving or acquiring entity); (iii) the transfer (whether by merger, consolidation or otherwise), in one transaction or a series of related transactions, to a Person or group of affiliated Persons (other than an underwriter of Vuzix’s securities), of Vuzix’s securities if, after such transfer, such Person or group of affiliated Persons would hold 50% or more of the outstanding voting stock of Vuzix (or the surviving or acquiring entity); provided, however, that a transaction shall not constitute a Change of Control Transaction if its sole purpose is to change the state of Vuzix’s incorporation or to create a holding company that will be owned in substantially the same proportions by the Persons who held Vuzix’s securities immediately prior to such transaction.

(e) “**Code**” means the Internal Revenue Code of 1986, as amended.

(f) “**Company Common Stock**” means the ordinary stock, 0.01 € par value per share, of the Company.

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(g) “**Company Intellectual Property**” means all patents, patent applications, registered and unregistered trademarks, trademark applications, registered and unregistered service marks, service mark applications, tradenames, copyrights, trade secrets, domain names, mask works, information and proprietary rights and processes, similar or other intellectual property rights, subject matter of any of the foregoing, tangible embodiments of any of the foregoing, licenses in, to and under any of the foregoing, and any and all such cases as are necessary to the Company in the conduct of the Company’s business as now conducted and as presently proposed to be conducted, including with respect to the License Agreement.

(h) “**Effective Date**” means May 12th, 2022, the date this Agreement was executed and became binding upon the Parties.

(i) “**Field**” has the meaning ascribed to it in the License Agreement.

(j) “**Foundation Materials**” means the following:

[**]

(k) “**Granted License**” has the meaning ascribed to it in the License Agreement.

(l) “**Key Employee**” means each Founder and any executive-level employee (including division director and vice president-level positions) as well as any employee or consultant who either alone or in concert with others develops, invents, programs or designs any Company Intellectual Property.

(m) “**License Agreement**” means that certain license agreement that was executed and became binding upon the Parties as of the Effective Date.

(n) “**uLED**” means a micro light emitting diode developed in the Field by the Company.

(o) “**Milestone**” means the occurrence of any of the following:

1. [**]

2. [**]

3. [**]

4. [**]

5. [**]

6. [**]

- (p) “**Person**” means any individual, corporation, partnership, trust, limited liability company, association or other entity.
- (q) “**Securities Act**” means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

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8.

- (r) “**Series A Preferred Stock**” means the series A preferred stock 0.01 € par value per share, of the Company.
- (s) “**Series B Preferred Stock**” means the Series B1 Preferred Stock and Series B2 Preferred Stock.
- (t) “**Series B1 Preferred Stock**” means the series B1 preferred stock 0.01 € par value per share, of the Company.
- (u) “**Series B2 Preferred Stock**” means the series B2 preferred stock 0.01 € par value per share, of the Company.
- (v) “**Shares**” means the shares of Company Common Stock, Series A Preferred Stock and Series B Preferred Stock.
- (w) “**Shareholders’ Agreement**” means that certain shareholders’ agreement, that was executed and became binding upon the Parties as of the Effective Date, in the form of Exhibit A attached to this Agreement.
- (x) “**Transaction Agreements**” means this Agreement, the Shareholders’ Agreement, the License Agreement, the Restated Certificate (as defined below) and any other agreements, instruments or documents entered into in connection with this Agreement.
- (y) “**Vuzix Common Stock**” means the common stock registered under the Securities Act, \$0.001 par value per share, of Vuzix.

2. Purchase and Sale of Series B Preferred Stock.

2.1 Sale of Series B Preferred Stock.

- (a) Foundation Sales and Purchase. Subject to the terms and conditions of this Agreement, following presentation to the Company’s Board of Directors (as defined in Section 6.4 below) of the Foundation Materials, on the eleventh (11th) month anniversary of the Effective Date:
 - 1. Vuzix will (A) pay \$2,000,000 to [**] assigning to Vuzix 2,000 shares of Series B [**]; and (B) pay \$500,000 [**] assigning to Vuzix 500 shares of Series B [**]
 - 2. Vuzix will (A) issue 368,000 shares of Vuzix Common Stock to [**] assigning to Vuzix 4,784 shares of Series B [**]; and (B) issue 92,000 shares of Vuzix Common Stock [**] assigning to Vuzix 1,196 shares of Series B [**] provided, however that:
 - a) if the 10-day VWAP for Vuzix Common Stock immediately prior to the date such shares are issued is between \$8 and \$13 per share of Vuzix Common Stock, Vuzix will issue and/or pay [**] shares of Vuzix Common Stock (based on such 10-day VWAP for Vuzix Common Stock) and/or cash that total \$4,784,000 [**] and \$1,196,000 [**] such proportion of shares of Vuzix Common Stock and/or cash as determined by Vuzix in its sole discretion; and

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- b) if the 10-day VWAP for Vuzix Common Stock immediately prior to the date such shares are issued is less than \$8 per share of Vuzix Common Stock, Vuzix will issue and/or pay the value of shares of Vuzix Common Stock that total 598,000 shares of Vuzix Common Stock multiplied by 10-day VWAP for Vuzix Common Stock at the time of issuance [**] 149,500 shares multiplied by 10-day VWAP for Vuzix Common Stock at the time of issuance [**] in such proportion of shares of Vuzix Common Stock and/or cash as determined by Vuzix in its sole discretion.
- (b) Milestone Sales and Purchases.
 - 1. Milestones. For each Milestone that, in Vuzix’s reasonable judgment, has been achieved Vuzix will (A) issue 172,000 shares of Vuzix Common Stock [**] assigning to Vuzix 2,236 shares of Series B [**] and (B) issue 43,000 shares of Vuzix Common Stock [**] assigning to Vuzix 559 shares of Series B [**] provided, however that:
 - a) if the 10-day VWAP for Vuzix Common Stock immediately prior to the date such shares are issued is between \$8 and \$13 per share of Vuzix Common Stock, Vuzix will issue and/or pay [**] shares of Vuzix Common Stock (based on such 10-day VWAP for Vuzix Common Stock) and/or cash that total \$2,236,000 [**] and \$559,000 [**] in such proportion of shares of Vuzix Common Stock and/or cash as determined by Vuzix in its sole discretion.
 - b) if the 10-day VWAP for Vuzix Common Stock immediately prior to the date such shares are issued is less than \$8 per share of Vuzix Common Stock, Vuzix will issue and/or pay the value of shares of Vuzix Common Stock that total 279,500 shares of Vuzix Common Stock multiplied by 10-day VWAP for Vuzix Common Stock at the time of issuance [**] and 69,875 shares multiplied by 10-day VWAP for Vuzix Common Stock at the time of issuance [**] in such proportion of shares of Vuzix Common Stock and/or cash as determined by Vuzix in its sole discretion.

Each issuance or payment by Vuzix and the corresponding transfer of shares [**] under this Section 2.1(b)(1) shall be referred to as a “**Milestone Closing**”

2. Conditions of Milestone Closings.

- a) A Milestone Closing may only occur after the eleventh (11th) month anniversary of the Effective Date.
- b) A Milestone Closing with respect to a Milestone only occurs once upon the first achievement and acceptance of such Milestone.

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- c) The order of each Milestone Closing is at the sole discretion of the Company and may occur at any time and in any sequence independent of the order enumerated in Section 1(o).
- d) Vuzix may at any time in its sole discretion elect to accelerate any Milestone Closing by waiving all requirements for the achievement any remaining Milestone.

(c) Delivery of Certificates.

- 1. As a requirement for the completion of each purchase and sale of shares of Series B Preferred Stock in Section 2.1(a) and Section 2.1(b), [**] a share transfer form (*ordre de mouvement*) duly completed in favor of Vuzix and a Cerfa tax form no.2759 for registration purposes with the relevant French tax authorities, and the Company will deliver to Vuzix a copy of the updated share transfer register (*registre de mouvements de titres*) and individual shareholders accounts (*comptes individuels d'associés*) providing for the transfer of ownership in the shares of Series B Preferred Stock being purchased by Vuzix [**]
- 2. For each purchase and sale of shares of Series B Preferred Stock in Section 2.1(a) and Section 2.1(b) Vuzix will deliver [**] certificates representing that number of shares of Vuzix Common Stock issued hereunder.

2.2 Additional Consideration.

(a) “**Valuation Milestone**” shall mean and be achieved if:

- 1. within five (5) years after the Effective Date, Vuzix either (i) engages in a Change of Control Transaction for an implied equity value of at least US \$3,500,000,000 or (ii) attains a market capitalization for its publicly traded Vuzix Common Stock of at least US \$3,500,000,000 (based on a trailing 10-day VWAP); and
- 2. a US based investment banker mutually agreeable to Vuzix and [**], in connection with such transaction determines that at least fifty percent (50%) of such implied equity value or market capitalization is directly attributable to the technology developed by the Company.

(b) If the Valuation Milestone is achieved prior to the Granted License terminating or the License Agreement terminating or after Vuzix owns at least 25,250,000 shares of Company Common Stock according to the terms in the Restated Certificate, then:

- 1. Vuzix will issue or pay [**] as applicable
 - a) on closing of the Change of Control Transaction contemplated by Section 2.2(a)(1)(i) (and subject to the requirement in Section 2.2(a)(2)) either (i) 15% of the number of shares of Vuzix Common Stock issued [**] under Section 2.1 subject to adjustment in Section 2.2(b)(2) or (ii) the cash equivalent represented by such additional shares contemplated by 2.2(b)(1)(a), in each case in exchange for (A) [**] assigning to Vuzix 3,030 shares of Series B [**]; and (B) [**] assigning to Vuzix 758 shares of Series B [**] or

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- b) within 10 business days in the event contemplated by Section 2.2(a)(1)(ii) (and subject to the requirement in Section 2.2(a)(2)), 15% of the number of shares of Vuzix Common Stock issued [**] under Section 2.1, subject to adjustment in Section 2.2(b)(2), in exchange for (A) [**] assigning to Vuzix 3,030 shares of Series B [**]; and (B) [**] assigning to Vuzix 758 shares of Series B [**]

- 2. If any cash was paid according to Section 2.1 by Vuzix [**], then the number of shares of Vuzix Common Stock issued according to Section 2.1 as used in the calculation for Section 2.2(b)(1) shall be increased by an implied number of shares determined by dividing the amount of cash paid by Vuzix [**] on any date by either (a) if the the 10-day VWAP for Vuzix Common Stock used in Section 2.1 was between \$8 and \$13, then the smaller of such amount per share of Vuzix Common Stock or the 10-day VWAP for Vuzix Common Stock immediately prior to the occurrence or acceleration of the Milestone Event or (b) if the 10-day VWAP for Vuzix Common Stock used in Section 2.1 was less than \$8 per share, then the smaller of \$8 per share of Vuzix Common Stock or the 10-day VWAP for Vuzix Common Stock immediately prior to the occurrence or acceleration of the Milestone Event.

(c) Delivery of Certificates.

- 1. For the purchase and sale of shares Series B Preferred Stock in Section 2.2(b) [**] a share transfer form (*ordre de mouvement*) duly completed in favor of Vuzix and a Cerfa tax form no.2759 for registration purposes with the relevant French tax authorities, and the Company will deliver to Vuzix a copy of the updated share transfer register (*registre de mouvements de titres*) and individual shareholders accounts (*comptes individuels d'associés*) providing for the transfer of ownership in the Series B Preferred Stock being purchased by Vuzix [**]
- 2. For the purchase and sale of Series B Preferred Stock in Section 2.2(b) Vuzix will deliver [**] certificates representing that number of shares of Vuzix Common Stock issued hereunder.

(d) Acceleration. Provided Vuzix owns at least 25,250,000 shares of Company Common Stock then it may at any time thereafter, in its sole discretion, elect to accelerate the Valuation Milestone contemplated by Section 2.2(a) by waiving all requirements for the achievement of the Valuation Milestone and issuing the shares of Vuzix Common Stock contemplated by Section 2.2(b).

(c) No Multiple Issuances or Payments. The Valuation Milestone may only be achieved once for purposes of the issuance of shares contemplated by Section 2.2(b) and once the share issuance or payment by Vuzix contemplated by Section 2.2(b) has been made [**] will have no further rights under this Section 2.2.

2.3 Vuzix Stock Split Adjustment. If Vuzix shall at any time effect a recapitalization, reclassification, stock split or other similar transaction such that each share of Vuzix Common Stock shall be changed into a larger or smaller number of shares then upon the effective date thereof, the number of shares of Vuzix Common Stock [**] per Section 2.1 or Section 2.2 [**] shall be increased or decreased in direct proportion to the increase or decrease in the number of shares of Vuzix Common Stock by reason of such recapitalization, reclassification or similar transaction, and the \$13 and \$8 figures stated in Section 2.1 or Section 2.2 shall be proportionally increased or decreased.

2.4 [**] prior to the achievement of a Milestone [**] will be entitled to receive any consideration due hereunder upon achievement of such a milestone, even if the milestone is achieved by Vuzix [**]

3. Representations and Warranties of the Company. The Company hereby represents and warrants to Vuzix on the Effective Date and as of the date of each Milestone Closing the following matters set forth in this Section 3: Except for Sections 3.2, 3.3, 3.4, 3.5, 3.8(a), 3.11 and 3.17 all references to Company in this Section 3 shall be deemed to include Atomistic UK.

3.1 Organization, Good Standing, Corporate Power and Qualification. The Company is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation and has all requisite corporate power and authority to carry on its business as now conducted and as presently proposed to be conducted. The Company is duly qualified to transact business and is in good standing in each jurisdiction in where it is required to so qualify.

3.2 Capitalization. The share capital of the Company consists, immediately prior to the Effective Date, of:

1. 29,038 shares of Company Common Stock were issued and outstanding. All of the outstanding shares of Company Common Stock have been duly authorized, are fully paid and nonassessable and were issued in compliance with all applicable federal and state securities laws.
2. [**] Series B1 Preferred Stock were issued and outstanding. The rights, privileges and preferences of the Series B1 Preferred Stock are as stated in the Restated Certificate.
3. [**] Series B2 Preferred Stock were issued and outstanding. The rights, privileges and preferences of the Series B2 Preferred Stock are as stated in the Restated Certificate.

(b) None of the Company's stock purchase agreements or stock option documents contains a provision for acceleration of vesting (or lapse of a repurchase right) or other changes in the vesting provisions or other terms of such agreement or understanding upon the occurrence of any event or combination of events. The Company has never adjusted or amended the exercise price of any stock options previously awarded, whether through amendment, cancellation, replacement grant, repricing, or any other means. Except as set forth in the Shareholders' Agreement or Restated Certificate, the Company has no obligation (contingent or otherwise) to purchase or redeem any of its capital stock.

3.3 Subsidiaries. Other than any subsidiary which is wholly-owned by the Company, the Company does not currently own or control, directly or indirectly, any interest in any other corporation, partnership, trust, joint venture, limited liability company, association, or other business entity.

3.4 Authorization. All corporate action required to be taken by the Company's Board of Directors (as defined in Section 6.4 below) and stockholders in order to authorize the Company to enter into the Transaction Agreements at the Effective Date has been taken. All action on the part of the officers of the Company necessary for the execution and delivery of the Transaction Agreements, the performance of all obligations of the Company under the Transaction Agreements to be performed as of the Effective Date has been taken prior to or on the Effective Date. The Transaction Agreements, when executed and delivered by the Company, will constitute valid and legally binding obligations of the Company, enforceable against the Company in accordance with their respective terms except (i) as limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance, or other laws of general application relating to or affecting the enforcement of creditors' rights generally, or (ii) as limited by laws relating to the availability of specific performance, injunctive relief, or other equitable remedies.

3.5 Valid Issuance of Shares. The Shares, when issued, sold and delivered in accordance with the terms and for the consideration set forth in this Agreement, will be validly issued, fully paid and nonassessable and free of restrictions on transfer other than restrictions on transfer under the Transaction Agreements, applicable state and federal securities laws and liens or encumbrances created by or imposed by a purchaser. The Shares will be issued in compliance with all applicable laws. The Company Common Stock issuable upon conversion of the shares of Series A Preferred Stock in accordance with the terms of the Restated Certificate, will be validly issued, fully paid and nonassessable and free of restrictions on transfer other than restrictions on transfer under the Transaction Agreements, applicable federal and state securities laws and liens or encumbrances created by or imposed by a purchaser. The Company Common Stock issuable upon conversion of the shares of Series A Preferred Stock will be issued in compliance with all applicable laws.

3.6 Governmental Consents and Filings. No consent, approval, order or authorization of, or registration, qualification, designation, declaration or filing with, any governmental authority is required on the part of the Company in connection with the consummation of the transactions contemplated by this Agreement.

3.7 Litigation. As of the Effective Date there is no claim, action, suit, proceeding, arbitration, complaint, charge or investigation pending or to the Company's knowledge, currently threatened (i) against the Company or any officer, director or Key Employee of the Company or (ii) that questions the validity of the Transaction Agreements or the right of the Company to enter into them, or to consummate the transactions contemplated by the Transaction Agreements. As of the Effective Date neither the Company nor, to the Company's knowledge, any of its officers, directors or Key Employees is a party or is named as subject to the provisions of any order, writ, injunction, judgment or decree of any court or government agency or instrumentality (in the case of officers, directors or Key Employees) such as would affect the Company. As of the Effective Date there is no action, suit, proceeding or investigation by the Company pending or which the Company intends to initiate. The foregoing includes, without limitation, actions, suits, proceedings or investigations pending or threatened in writing (or any basis therefor known to the Company) involving the prior employment of any of the Company's employees, their services provided in connection with the Company's business, any information or techniques allegedly proprietary to any of their former employers or their obligations under any agreements with prior employers.

3 . 8 Compliance with Other Instruments. The Company is not in violation or default (a) of any provisions of its Restated Certificate, (b) of any instrument, judgment, order, writ or decree, under any note, indenture or mortgage, or (c) under any lease, agreement, contract or purchase order to which it is a party or by which it is bound, or (v) of any provision of applicable law. The execution, delivery and performance of the Transaction Agreements and the consummation of the transactions contemplated by the Transaction Agreements will not result in any such violation or be in conflict with or constitute, with or without the passage of time and giving of notice, either (i) a default under any such provision, instrument, judgment, order, writ, decree, contract or agreement; or (ii) an event which results in the creation of any lien, charge or encumbrance upon any assets of the Company or the suspension, revocation, forfeiture, or nonrenewal of any material permit or license applicable to the Company.

3.9 Agreements; Actions.

(a) Except for the Transaction Agreements, there are no agreements, understandings, instruments, contracts or proposed transactions to which the Company is a party or by which it is bound that involves the license of any patent, copyright, trademark, trade secret or other proprietary right to or from the Company in the Field.

(b) The Company has not declared or paid any dividends, or authorized or made any distribution upon or with respect to any class or series of its capital stock other than the Series B1 Preferred Stock.

(c) The Company is not a guarantor or indemnitor of any indebtedness of any other Person.

(d) The Company has not engaged in the past twelve (12) months in any discussion with any representative of any Person, other than Vuzix, regarding (i) a sale or exclusive license of all or substantially all of the Company's assets, or (ii) any merger, consolidation or other business combination transaction of the Company with or into another Person.

3.10 Certain Transactions.

(a) Other than agreements regarding payment for services on reasonable arms-length terms, there are no agreements, understandings or proposed transactions between the Company and any of its officers, directors, consultants or Key Employees, or any Affiliate thereof.

(b) The Company is not indebted, directly or indirectly, to any of its directors, officers or employees or to their respective spouses or children or to any Affiliate of any of the foregoing, other than in connection with expenses or advances of expenses incurred in the ordinary course of business or employee relocation expenses and for other customary employee payroll and benefits made generally available to all employees. None of the Company's directors, officers or employees, or any members of their immediate families, or any Affiliate of the foregoing are, directly or indirectly, indebted to the Company or, have any (i) material commercial, industrial, banking, consulting, legal, accounting, charitable or familial relationship with any of the Company's customers, suppliers, service providers, joint venture partners, and licensees, (ii) direct or indirect ownership interest in any firm or corporation with which the Company has a business relationship except that directors, officers, employees or stockholders of the Company may own stock in (but not exceeding two percent (2%) of the outstanding capital stock of) publicly traded companies that may compete with the Company; or (iii) financial interest in any contract with the Company other than the Transaction Documents.

(c) [**]

3 . 1 1 Rights of Registration and Voting Rights. Except as contemplated in the Shareholders' Agreement, no stockholder of the Company has entered into any agreements with respect to the voting of capital shares of the Company.

3.12 Property. The Company Intellectual Property in the Field that the Company owns is free and clear of all mortgages, deeds of trust or French trust ("fiducie"), liens, loans and encumbrances, except for statutory liens for the payment of current taxes that are not yet delinquent and encumbrances and liens that arise in the ordinary course of business and do not materially impair the Company's ownership or use of such property. With respect to the property and assets it leases, the Company is in compliance with such leases and holds a valid leasehold interest free of any liens, claims or encumbrances other than those of the lessors of such property or assets.

3.13 Employee Matters.

(a) None of its employees is obligated under any contract (including licenses, covenants or commitments of any nature) or other agreement, or subject to any judgment, decree or order of any court or administrative agency, that would materially interfere with such employee's ability to promote the interest of the Company or that would conflict with the Company's business. Neither the execution or delivery of the Transaction Agreements, nor the carrying on of the Company's business by the employees of the Company, nor the conduct of the Company's business as now conducted and as presently proposed to be conducted, will conflict with or result in a breach of the terms, conditions, or provisions of, or constitute a default under, any contract, covenant or instrument under which any such employee is now obligated.

(b) The Company is not delinquent in payments to any of its employees, consultants, or independent contractors for any wages, salaries, commissions, bonuses, or other direct compensation for any service performed for it to the date hereof or amounts required to be reimbursed to such employees, consultants or independent contractors. The Company has complied in all material respects with all applicable employment law, including those related to wages, hours, worker classification and collective bargaining. The Company has withheld and paid to the appropriate governmental entity or is holding for payment not yet due to such governmental entity all amounts required to be withheld from employees of the Company and is not liable for any arrears of wages, taxes, penalties or other sums for failure to comply with any of the foregoing.

(c) To the Company's knowledge, no Key Employee intends to terminate employment with the Company or is otherwise likely to become unavailable to continue as a Key Employee. The Company does not have a present intention to terminate the employment of any of the foregoing.

3 . 1 4 Tax Returns and Payments. There are no taxes due and payable by the Company which have not been timely paid. There are no accrued and unpaid taxes of the Company which are due, whether or not assessed or disputed. The Company has duly and timely filed all tax returns required to have been filed by it and there are in effect no waivers of applicable statutes of limitations with respect to taxes for any year.

3 . 1 5 Employee Agreements. Each Key Employee of the Company has executed or will execute an agreement with the Company regarding confidentiality and proprietary information substantially in the form or forms delivered to the counsel for Vuzix (the "**Confidential Information Agreements**"). No current or

former Key Employee has excluded works or inventions from his or her assignment of inventions in the Field pursuant to such Key Employee's Confidential Information Agreement. Each current and former Key Employee has executed or will execute an agreement to not compete in the Field. The Company is not aware that any of its Key Employees is in violation of any agreement covered by this Section 3.15.

3.16 Permits. The Company has all franchises, permits, licenses and any similar authority necessary for the conduct of its business, the lack of which could reasonably be expected to have a material adverse effect. The Company is not in default in any material respect under any of such franchises, permits, licenses or other similar authority.

3.17 Corporate Documents. The Restated Certificate of the Company is in the form provided to Vuzix. The minute books of the Company contains minutes of all meetings of directors and stockholders and all actions by written consent without a meeting by the directors and stockholders since the date of incorporation and accurately reflects in all material respects all actions by the directors (and any committee of directors) and stockholders with respect to all transactions referred to in such minutes.

3.18 Disclosure. The Company has made available to Vuzix all the information reasonably available to the Company that Vuzix has requested for deciding whether to acquire the Shares. No representation or warranty of the Company contained in this Agreement and no certificate furnished or to be furnished to Vuzix at the Effective Date contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained herein or therein not misleading in light of the circumstances under which they were made.

4. Representations and Warranties of Founders. Each of the Founders, severally and not jointly, represents and warrants to Vuzix on the Effective Date and as of the date on which they are being issued Vuzix Common Stock under this Agreement as follows:

4.1 Conflicting Agreements. Such Founder is not, as a result of the nature of the business now conducted or presently proposed to be conducted by the Company or for any other reason, in violation of (a) any fiduciary or confidential relationship, (b) any term of any contract or covenant (either with the Company or with another entity) relating to employment, patents, assignment of inventions, confidentiality, proprietary information disclosure, non-competition in the Field, or (c) any other contract or agreement, or any judgment, decree or order of any court or administrative agency binding on the Founder and relating to or affecting the right of such Founder to be employed by or serve as a director or consultant to the Company. No such relationship, term, contract, agreement, judgment, decree or order conflicts with such Founder's obligations to use his or her best efforts to promote the interests of the Company nor does the execution and delivery of this Agreement, nor such Founder's carrying on the Company's business as a director, officer, consultant or Key Employee of the Company, conflict with any such relationship, term, contract, agreement, judgment, decree or order.

4.2 Litigation. There is no action, suit or proceeding, or governmental inquiry or investigation, pending or, to such Founder's knowledge, threatened against such Founder, and, to such Founder's knowledge, there is no basis for any such action, suit, proceeding, or governmental inquiry or investigation.

4.3 Stockholder Agreements. Except as contemplated by or disclosed in the Transaction Agreements, such Founder is not a party to and has no knowledge of any agreements, written or oral, relating to the acquisition, disposition or voting of the securities of the Company.

4.4 Assignment of Intellectual Property. Each Founder has assigned to the Company works or inventions in the Field.

4.5 Prior Legal Matters. Such Founder has not been (a) subject to voluntary or involuntary petition under the federal bankruptcy laws or any state insolvency law or the appointment of a receiver, fiscal agent or similar officer by a court for his or her business or property; (b) convicted in a criminal proceeding or named as a subject of a pending criminal proceeding (excluding traffic violations and other minor offenses); (c) subject to any order, judgment, or decree (not subsequently reversed, suspended, or vacated) of any court of competent jurisdiction permanently or temporarily enjoining him or her from engaging, or otherwise imposing limits or conditions on his or her engagement in any securities, investment advisory, banking, insurance, or other type of business or acting as an officer or director of a public company; or (d) found by a court of competent jurisdiction in a civil action or by the Securities and Exchange Commission or the Commodity Futures Trading Commission to have violated any federal or state securities, commodities or unfair trade practices law, which such judgment or finding has not been subsequently reversed, suspended, or vacated.

4.6 [**]

4.7 [**]

4.8 Foreign Investors. If a Founder is not a United States person (as defined by Section 7701(a)(30) of the Code), it has satisfied itself as to the full observance of the laws of its jurisdiction in connection with any invitation to subscribe for the Vuzix Common Stock or any use of this Agreement, including (i) the legal requirements within its jurisdiction for the sale of Shares of Vuzix Common Stock, (ii) any foreign exchange restrictions applicable to such sale, (iii) any governmental or other consents that may need to be obtained, and (iv) the income tax and other tax consequences, if any, that may be relevant to the sale, holding, redemption, sale, or transfer of the Vuzix Common Stock. The Founder's subscription and payment for and continued beneficial ownership of the Shares will not violate any applicable securities or other laws of the Founder's jurisdiction.

4.9 No General Solicitation. Neither the Founder, nor any of its officers, directors, employees, agents, stockholders or partners has either directly or indirectly, including, through a broker or finder (a) engaged in any general solicitation, or (b) published any advertisement in connection with the offer and sale of the Shares.

5. Representations and Warranties of Vuzix. Vuzix hereby represents and warrants to the Company and the Founders that:

5.1 Authorization. Vuzix has full power and authority to enter into the Transaction Agreements. The Transaction Agreements to which Vuzix is a party, when executed and delivered by Vuzix, will constitute valid and legally binding obligations of Vuzix, enforceable in accordance with their terms, except as limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and any other laws of general application affecting enforcement of creditors' rights generally, and as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies.

5.2 Purchase Entirely for Own Account. This Agreement is made with the Company in reliance upon Vuzix's representation to the Company, which by Vuzix's execution of this Agreement, Vuzix hereby confirms, that the Shares to be acquired by Vuzix will be acquired for investment for Vuzix's own account, not as a nominee or agent, and not with a view to the resale or distribution of any part thereof, and that Vuzix has no present intention of selling, granting any participation in, or otherwise distributing the same. By executing this Agreement, Vuzix further represents that Vuzix does not presently have any contract, undertaking, agreement or arrangement with any Person to sell, transfer or grant participations to such Person or to any third Person, with respect to any of the Shares. Vuzix has not been formed for the specific

purpose of acquiring the Shares.

5 . 3 Disclosure of Information. Vuzix has had an opportunity to discuss the Company's business, management, financial affairs and the terms and conditions of the offering of the Shares with the Company's management and has had an opportunity to review the Company's facilities. The foregoing, however, does not limit or modify the representations and warranties of the Company in Section 3 of this Agreement or the right of Vuzix to rely thereon.

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5.4 Restricted Securities. Vuzix understands that the Shares have not been, and will not be, registered under the Securities Act, by reason of a specific exemption from the registration provisions of the Securities Act which depends upon, among other things, the bona fide nature of the investment intent and the accuracy of Vuzix's representations as expressed herein. Vuzix understands that the Shares are restricted securities under applicable U.S. federal and state securities laws and that, pursuant to these laws, Vuzix must hold the Shares indefinitely unless they are registered with the Securities and Exchange Commission and qualified by state authorities, or an exemption from such registration and qualification requirements is available. Vuzix acknowledges that the Company has no obligation to register or qualify the Shares, or the Company Common Stock into which it may be converted, for resale. Vuzix further acknowledges that if an exemption from registration or qualification is available, it may be conditioned on various requirements including, but not limited to, the time and manner of sale, the holding period for the Shares, and on requirements relating to the Company which are outside of Vuzix's control, and which the Company is under no obligation and may not be able to satisfy.

5.5 No Public Market. Vuzix understands that no public market now exists for the Shares, and that the Company has made no assurances that a public market will ever exist for the Shares.

5.6 Legends. Vuzix understands that the Shares and any securities issued in respect of or exchange for the Shares, may be notated with one or all of the following legends:

(a) "The shares represented hereby have not been registered under the securities act of 1933, and have been acquired for investment and not with a view to, or in connection with, the sale or distribution thereof. No such transfer may be effected without an effective registration statement related thereto or an opinion of counsel in a form satisfactory to the company that such registration is not required under the securities act of 1933."

(b) Any legend set forth in, or required by, the other Transaction Agreements.

(c) Any legend required by the securities laws of any state to the extent such laws are applicable to the Shares represented by the certificate, instrument, or book entry so legended.

6. Conditions to Vuzix's Obligations at the Effective Date. The obligations of Vuzix to purchase Series B Preferred Stock on the eleventh (11th) month anniversary of the Effective Date is subject to the fulfillment, on or before the Effective Date, of each of the following conditions, unless otherwise waived:

6.1 Representations and Warranties. The representations and warranties of the Company contained in Section 3 and the representations and warranties of the Founders in Section 4 will be true and correct in all respects as of the Effective Date.

6 . 2 Performance. The Company and the Founders will have performed and complied with all covenants, agreements, obligations and conditions contained in the Transaction Agreements that are required to be performed or complied with on or before the Effective Date.

6 . 3 Qualifications. All authorizations, approvals or permits, if any, of any governmental authority or regulatory body of the United States or of any state that are required in connection with the lawful issuance and sale of the Shares pursuant to this Agreement will be obtained and effective as of the Effective Date.

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6 . 4 Board of Directors. As of the Effective Date, the authorized size of the Board of Directors of the Company will be two (2) directors, with a one director nominated by a majority of the holders of the Company Common Stock and the other director nominated by Vuzix (the "**Board of Directors**"). The voting rights for each director are as stipulated in the Shareholders' Agreement.

6.5 Shareholders' Agreement. The Company, Vuzix and the Founders will have executed and delivered the Shareholders' Agreement.

6 . 6 Restated Certificate. The Company will have filed amended by-laws (the "**Restated Certificate**") with the Registry of Trade and Companies of Lille Métropole on or prior to the Effective Date, which will be in full force and effect as of the Effective Date.

6 . 7 President's Certificate. The President of the Company will have delivered to Vuzix at the Effective Date a certificate certifying (i) the Restated Certificate of the Company, (ii) resolutions of the Board of Directors of the Company approving the Transaction Agreements, and (iii) resolutions of the stockholder of the Company approving the Restated Certificate.

6 . 8 Proceedings and Documents. All corporate and other proceedings in connection with the transactions contemplated at the Effective Date and all documents incident thereto will be reasonably satisfactory in form and substance to Vuzix, and Vuzix (or its counsel) will have received all such counterpart originals and certified or other copies of such documents as reasonably requested. Such documents may include good standing certificates.

7. Miscellaneous.

7.1 Survival of Warranties. Unless otherwise set forth in this Agreement, the representations and warranties of the Company, the Founders and Vuzix contained in or made pursuant to this Agreement will survive the execution and delivery of this Agreement and the Effective Date and will in no way be affected by any investigation or knowledge of the subject matter thereof made by or on behalf of Vuzix, the Founders or the Company.

7.2 Successors and Assigns. The terms and conditions of this Agreement will inure to the benefit of and be binding upon the respective successors and assigns of the Parties. Nothing in this Agreement, express or implied, is intended to confer upon any party other than the Parties hereto or their respective successors and assigns any rights, remedies, obligations or liabilities under or by reason of this Agreement, except as expressly provided in this Agreement.

7 . 3 Notices. All notices required or permitted hereunder will be given in writing to the following addresses and will be deemed given (a) when received if sent by an internationally recognized express courier service, or (b) on the date sent by email if sent during normal business hours of the recipient or on the next

business day if sent outside of normal business hours of the recipient:

To the Company: Atomistic SAS
3 Boulevard de Belfort
59000 Lille
France
Attn: Jonathan Sachs
Email: [**]

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To The Founders: Jonathan Sachs
[**]
Jerry Woodall
[**]

To Vuzix: Vuzix Corporation
25 Hendrix Road
West Henrietta, New York 14586
Attn: Legal Department
Email: legal@vuzix.com

Copy to: Harter Secrest & Emery LLP
1600 Bausch & Lomb Place
Rochester, NY 14604
Attn: Thomas R. Anderson
Email: tanderson@hselaw.com

7.4 Captions and Section References. The titles, headings or captions in this Agreement do not define, limit, extend, explain or describe the scope or extent of this Agreement or any of its terms or conditions and therefore will not be considered in the interpretations, construction or application of this Agreement.

7.5 Severability. If any term or provision of this Agreement will be found to be invalid, illegal or otherwise unenforceable, such finding will not affect the other terms or provisions of this Agreement, or the whole of this Agreement, but such term or provision will be deemed modified to the extent necessary to render such term or provision enforceable, and the rights and obligations of the Parties will be construed and enforced accordingly, preserving to the fullest permissible extent the intent and agreements of the Parties set forth in this Agreement.

7.6 Amendment. No amendment, change or modification of any of the terms, provisions or conditions of this Agreement will be effective unless made in a writing that expressly references this Agreement and is signed on behalf of the Parties hereto by their duly authorized representatives.

7.7 Waiver. No waiver of any term, provision or condition of this Agreement, whether by conduct or otherwise, in any one or more instances, will be deemed to be or construed as a further or continuing waiver of any such or other term, provision or condition of this Agreement.

7.8 Force Majeure. No Party will be liable hereunder to any other Party nor will be in breach for failure to perform its obligations caused by circumstances beyond the control of any Party, including, but not limited to: acts of nature; fires; earthquakes; floods; riots; wars; civil disturbances; sabotage; accidents; shortages or government actions. In the case of any such event, the affected Party will promptly notify the other Parties, and will keep the other Parties informed of the event in writing specifying the extent to which its performance will likely be affected. The Party affected will exert reasonable diligent efforts to eliminate, cure or overcome any such cause and resume performance as soon as practicable.

7.9 Benefits and Binding Nature of Agreement. This Agreement will be binding upon and will inure to the benefit of the Parties hereto and their respective successors and assigns permitted under this Agreement.

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7.10 Assignment; Change in Control. The rights under this Agreement may not be assigned by any Party (the “**Assigning Party**”) without the written consent of the other Parties except (a) to any Affiliate of the Assigning Party, (b) to any Person which acquires substantially all of the assets and business of Vuzix [**] or any successor Person who holds such Shares provided such Person signs a deed of adherence to the Shareholders’ Agreement.

7.11 Entire Agreement. This Agreement sets forth the entire agreement between the Parties hereto pertaining to the subject matter hereof and supersedes and terminates all previous agreements, memoranda or letters of proposal or intent between the Parties hereto in connection with the subject matter hereof entered into prior to the Effective Date.

7.12 Governing Law and Forum. This Agreement and all claims related to it, its execution or the performance of the Parties under it, will be construed and governed in all respects according to the laws of the State of New York. The Parties agree that all actions or proceedings arising in connection with this Agreement will be tried and litigated exclusively in the courts located in the Western District of New York. This choice of venue is intended by the Parties to be mandatory and not permissive in nature, and to preclude the possibility of litigation between the Parties with respect to, or arising out of, this Agreement in any jurisdiction other than that specified in this Section 7.12. Each Party consents to the jurisdiction of such courts and waives any right it may have to challenge the jurisdiction of such court under the law of any jurisdiction, including asserting the doctrine of forum non-conveniens or similar doctrine under any law, or to object to venue with respect to any proceeding brought in accordance with this Section 7.12 on any grounds or any law.

7.13 Dispute Resolution. If any dispute arises between the Parties with respect to the interpretation or breach of this Agreement, a Party may notify another Party of the dispute in writing and the Parties will attempt to resolve the dispute through discussions between the competent respective officers or the Founders as the case may be. If such individuals are unable to resolve the dispute within thirty (30) days after the date written notice of the dispute is delivered, a Party may seek such other remedy, at law or in equity, as it may deem necessary or appropriate.

7.14 Counterparts. This Agreement may be executed in counterparts and signed electronically by means of a reliable identification process

implemented by DocuSign® (www.docusign.com). For purposes hereof, a facsimile or scanned copy of this Agreement, including the signature page hereto, will be deemed to be an original. Notwithstanding the foregoing, the Parties will deliver original execution copies of this Agreement to one another as soon as practicable following execution thereof.

7.15 Limitations. Except for fraud or intentional misrepresentation, (a) the aggregate liability of the Company under this Agreement to Vuzix shall be limited to the amount received by the Company under the License Agreement and [**] shall be limited to the return of any Vuzix Common Stock or other consideration received [**]

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IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Effective Date.

Atomistic SAS

By: /s/ Jonathan Sachs

Name: Jonathan Sachs

Title: President

/s/ Jonathan Sachs

Jonathan Sachs

/s/ Jerry Woodall

Jerry Woodall

Vuzix Corporation

By: /s/ Paul Travers

Name: Paul Travers

Title: President & CEO

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EXHIBIT A

Shareholders' Agreement

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Certain identified information has been excluded from the exhibit because it is both (i) not material and (ii) would likely cause competitive harm to the registrant if publicly disclosed.

On May 12th, 2022

Between

Jonathan Sachs

Jerry Woodall

and

Vuzix Corporation

SHAREHOLDERS' AGREEMENT

relating to ATOMISTIC

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THIS SHAREHOLDERS' AGREEMENT IS ENTERED BY AND BETWEEN:

(1) **Dr. Jonathan Sachs** [**]

(hereafter referred to as "**Jonathan Sachs**")

(2) **Dr. Jerry Woodall** [**]

(hereafter referred to as "Jerry Woodall")

(Jonathan Sachs and Jerry Woodall being hereafter individually referred to as a "Founder" and collectively as the "Founders")

of the first part,

AND:

- (3) **Vuzix Corporation**, a company incorporated under the laws of the state of Delaware, having its place of business located at 25 Hendrix Road, Suite A, West Henrietta, New York 14586, represented by Paul Travers, duly authorized,

(hereafter referred to as "Vuzix")

of the second part,

(Jonathan Sachs, Jerry Woodall and Vuzix are hereafter collectively referred to as the "Parties" and individually as a "Party")

IN THE PRESENCE OF:

- (4) **Atomistic**, a French *société par actions simplifiée*, the registered office of which is located at 3 boulevard de Belfort – 59000 Lille, France, registered with the registry of commerce and companies of Lille Métropole under number 902 801 950, represented by Dr. Jonathan Sachs, duly authorized, which is entering into this Agreement for the purposes of accepting the rights granted to it and acknowledging the obligations imposed on it pursuant to this Agreement,

(hereinafter referred to as the "Company")**WHEREAS:**

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A. The share capital of the Company is set forth in Schedule A hereto.

B. In this context, the Parties have agreed to enter into this Agreement which purpose is described in Article 2.

NOW IT IS HEREBY AGREED AS FOLLOWS:

ARTICLE 1. DEFINITIONS AND INTERPRETATION

1.1 For the purposes of this Agreement, the terms listed hereafter shall have the following meaning:

Affiliate	means, for any Party, (i) any fund or investment firm which controls such Party or which is managed (including through a delegation, as the case may be) by the same manager as such Party or by a manager Controlled by, Controlling or under the same Control as the manager of such Party (an "Affiliate Fund") and (ii) any Entity Controlled by, Controlling or under the same Control as such Party or such Affiliate Fund or as the manager or investment advisor of such Party or such Affiliate Fund.
Agreement	means this shareholders' agreement, as amended or supplemented from time to time by way of amendment.
Anti-Corruption Laws	means the anti-bribery provisions of the French criminal code, anti-bribery legislation enacted by member states of the European Union and by signatories implementing the OECD Convention Combating Bribery of Foreign Officials, the U.S. Foreign Corrupt Practices Act of 1977, as amended, and other similar laws and regulations.
Board of Directors	means the "comité de surveillance" of the Company, as defined in the By-laws.
Business Sale	means, other than to or with Vuzix, the sale (<i>vente</i>), transfer or other disposition of all or substantially all of the Company's assets in one transaction or a series of related transactions, it being understood that any Business Sale will result in a Liquidation pursuant to Article 14.3.
By-laws	has the meaning ascribed to it in Article 4.1.
Call Options	means the Call Option and the Vuzix Call Option.
Control	means (a) the direct or indirect holding of at least a majority of the share capital and/or voting rights of an Entity, (b) the right to appoint or cause the appointment of a majority of the board of directors (or similar governing body) of an Entity, or (c) the right to manage or direct the management of the assets of an Entity on a discretionary basis.

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Effective Date means May 12th, 2022, the date this Agreement was executed and became binding upon the Parties and the Company.

Entity means any legal entity, company, corporation, group, investment fund, de facto company, association, partnership, or any similar organization, whether governmental or private, having or not a separate legal personality.

Fair Market Value	means the fair market value (<i>valeur vénale</i>) of a Share (on a non-diluted basis) (i) determined by the Permitted Transferor and the Permitted Transferee or (ii), if the Permitted Transferor and the Permitted Transferee do not agree on such valuation, to be determined by an independent expert appointed, upon request of the most diligent Party concerned, by order of the president of the commercial court (tribunal de commerce) of Paris, ruling in a summary form (<i>forme des référés</i>) and without appeal, as set forth in article 1592 of the French civil code; the appointed expert shall, within thirty (30) days of his appointment, deliver his report to the concerned Permitted Transferor and the relevant Permitted Transferee; the expert's fees shall be borne equally by the concerned Permitted Transferor and the concerned Permitted Transferee; it being specified that if the expert shall not be available, refuse or will otherwise not be in a position to carry out its mission as set forth here above, the concerned Party(ies) shall appoint an alternative expert under the same conditions as abovementioned.
Field	has the meaning ascribed to it in the License Agreement.
GAAP	means generally accepted accounting principles in the United States as in effect from time to time.
Granted License	has the meaning ascribed to it in the License Agreement.
Long Stop Date	has the meaning of "Date Butoir" as this term is defined in the Terms and Conditions.
License Agreement	means that certain license agreement that was executed by and became binding upon the Parties and the Company as of the Effective Date.
Liquidation	means the winding up, amicable liquidation or dissolution of the Company (excluding any judicial liquidation).
Liquidation Event	means (i) the Business Sale; (ii) the Merger; (iii) the Sale or (iv) the Liquidation.

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Merger	means, other than to or with Vuzix, the merger of the Company with or into another entity (except a merger or consolidation in which the holders of capital stock of the Company immediately prior to such merger or consolidation continue to hold more than 50% of the voting power of the capital stock of the Company or the surviving or acquiring entity).
Ordinary Shares	means the ordinary stock (<i>actions ordinaires</i>) 0.01€ par value, of the Company.
Permitted Dividends	means the cumulative amount of any and all tax credits
Amount	received as deposits and/or cash by the Company and/or any Subsidiary in accordance with applicable Law.
Permitted Transfer	means (a) the Call Option, (b) the Vuzix Call Option, (c) any Transfer of Securities according to the SPA and [**] any Transfer by a Permitted Transferor of Shares [**]
Permitted Transferee	means the transferee of a Permitted Transfer.
Permitted Transferor	means the transferor of Shares to a Permitted Transferee.
Person	means any natural person and/or Entity.
President	means the <i>président</i> of the Company within the meaning of article L. 227-6, §1, of the French Commercial Code.
Sale	means, other than to or with Vuzix, the sale (<i>vente</i>) and/or contribution (<i>apport</i>), in one transaction or a series of related transactions, to a Person or group of affiliated Persons of 100% of the Securities.
Securities or Security	means, now and in the future: <ul style="list-style-type: none"> (a) the Shares; (b) the <i>valeurs mobilières donnant accès au capital</i> or other securities giving the right, immediately or on a due date, to subscribe or otherwise acquire Shares, including but not limited to stock options (<i>options de souscription ou d'achat d'actions</i>), redeemable shares, warrants and founders' warrants (<i>bons de souscription de parts de créateur d'entreprise</i>); (c) the subscription rights attached to the Shares as well as to the securities mentioned in (b) above, in the event of an issue of Shares, <i>valeurs mobilières donnant accès au capital</i> or other securities giving a right, immediately or on a due date, to subscribe or otherwise acquire Shares; and (d) any rights to receive free Shares, <i>valeurs mobilières donnant accès au capital</i> as well as to the securities mentioned in paragraph (b) above, which any of the Parties hold or may hold, for any reason whatsoever.

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Series A Preferred Stock	means the series A preferred stock 0.01 € par value per share, of the Company (<i>Actions de Préférence A</i>).
Series B Preferred Stock	means together the Series B1 Preferred Stock and the the Series B2 Preferred Stock.
Series B1 Preferred Stock	means the series B1 preferred stock 0.01 € par value per Share, of the Company (<i>Actions de Préférence B1</i>).
Series B2 Preferred Stock	means the series B2 preferred stock 0.01 € par value per Share, of the Company (<i>Actions de Préférence B2</i>).

Shares	means the shares issued or to be issued by the Company irrespective of class or category (including the Ordinary Shares, the Series A Preferred Stock and the Series B Preferred Stock).
SPA	means that certain stock purchase agreement that was executed by and became binding upon the Parties and the Company as of the Effective Date.
Shareholders	means the holders of one or several Shares.
Subsidiary	means any company and/or undertaking and/or contractual or <i>de facto</i> venture, directly or indirectly, controlled by the Company within the meaning of article L. 233-3 of the French commercial code.
Terms	and Conditions means the terms and conditions of the Series A Preferred Stock and Series B Preferred Stock set forth in the By-laws.
Third	Party means any individual or legal entity other than a Party or the Company.
Transfer	means any transaction resulting or which may result at a later date (<i>e.g.</i> , the granting of a put or call option or a pledge) in a transfer of ownership of Securities (<i>propriété, nue-propriété ou usufruit</i>) for any reason whatsoever (including but not limited to sales, gratuities, contributions, partial contributions of assets, mergers, de-mergers, transfers as a result of death or any combination of these methods of transfer of ownership).

1.2 Pursuant to this Agreement and unless the context requires otherwise:

- (a) references to Articles and Schedules are references to articles of, and schedules to, this Agreement, and the words "hereof", "herein" and "hereunder" and words of similar import, when used in this Agreement, shall refer to this Agreement as a whole and not to any particular provision of this Agreement;

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- (b) headings are inserted for convenience only, in order to facilitate the reading of the Agreement and shall not affect the construction of the Agreement;
- (c) the terms "including", "includes", "including in particular" or any similar terms shall be construed as having an illustrative purpose and shall not restrict the meaning of any terms following immediately such terms;
- (d) references to a legal provision shall include such provision as amended from time to time;
- (e) a reference to a document refers to this document, as amended, supplemented or replaced by any means whatsoever;
- (f) meanings ascribed to terms defined herein shall be equally applicable to the singular and plural forms of such terms and to their other grammatical forms;
- (g) French legal terms appearing in italics in this Agreement shall prevail, as to their meaning, over the English terms, and over any other possible French translation of those English terms, to which such French legal terms are referring;
- (h) any statement which refers to the "best efforts" or "best endeavors" of a Party with respect to a given matter means that such Party has an "*obligation de moyens*" with respect to such matter;
- (i) the provisions of articles 640 to 642 of the French civil procedure code shall be applied to calculate any period of time for the purposes of this Agreement.

ARTICLE 2. PURPOSE OF THIS AGREEMENT

The purpose of this Agreement is to set out the rights and obligations of the Parties and the terms and conditions they have agreed to comply with for the duration of this Agreement in pursuing their common objectives through the Company, it being specified that unless otherwise expressly specified herein, the Parties are acting severally and not jointly (*non solidairement*).

ARTICLE 3. REPRESENTATIONS AND WARRANTIES

Each Party represents and warrants to the other Parties:

3.1 for the Parties who are legal entities, that:

- a) it is legally incorporated or formed and in good standing under French law or the laws of the jurisdiction where it is established and that its legal representative has full powers and authority to sign and implement this Agreement; and
- b) the execution and implementation of this Agreement has been validly authorized by such Party's competent bodies, does not and will not result in a breach, termination or amendment of any term or condition of any other contract or deed to which such Party is a party and that this Agreement is not contrary to any term of any such contracts or deeds.

3.2 for the Parties who are natural persons, that:

- a) he or she has the capacity to sign and implement this Agreement; and
- b) the execution and implementation of this Agreement does not and will not result in a breach, termination or amendment of any term or condition of any other contract or deed to which such Party is a party and that this Agreement is not contrary to any term of any such contracts or deeds.

3.3 for all Parties, pursuant to French and other relevant laws and regulations against money laundering (*réglementation sur la lutte contre le blanchiment de capitaux*), that:

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- a) the funds used by such a Party in order to acquire Shares have not come from unlawful activities, including but not limited within the meaning of title VI (*obligations relatives à la lutte contre le blanchiment de capitaux*), Book V of the French *code monétaire et financier*, or violations of Anti-Corruption Laws or Sanctions,
- b) it has neither favored by any means a deceitful justification of the origin of the assets or income of any offence's perpetrator (*auteur d'un délit ou d'un crime*) whose offence provided the offence's perpetrator a direct or indirect benefit, nor helped a transaction aiming at the investment, concealment or conversion of the direct or indirect benefit of any offence, and
- c) it is not and is not acting for or on behalf of a Sanctioned Person.

ARTICLE 4. GOVERNANCE

- 4.1 As to the administration and management of the Company, each Party irrevocably undertakes to comply with the provisions of this Agreement as well as the by-laws (*statuts*) of the Company (the "**By-laws**"), as amended from time to time in accordance with the provisions of this Agreement, it being expressly agreed that, in the event of a conflict between the By-laws and this Agreement, this Agreement shall prevail among the Parties.
- 4.2 The Company shall be administered by the President and, as the case may be, any General Manager (*Directeur Général*).

With regard to Third Parties, the President has the widest possible powers to act in all circumstances in the name and on behalf of the Company, without prejudice of the prerogatives of the Board of Directors described in Article 4.4 and 4.10 below or the powers of the body of shareholders of the Company pursuant to the By-laws.

[**]

- 4.3 The Board of Directors shall be composed at all time of two (2) members as follows:
 - i. one (1) member who shall be appointed by a majority of the holders of the Ordinary Shares (the "**OS Director**");
 - ii. one (1) member who shall be appointed by Vuzix (the "**Vuzix Director**").
- 4.4 The Company undertakes that none of the decisions listed below will be taken by the President, the Managing Director (*Directeur général*) as the case may be or any officer or legal representative of the Company or its Subsidiaries in the name thereof, without the prior approval of the Board of Directors including the positive vote of the Vuzix Director [**]:
 - i. [**]
 - ii. [**]
 - iii. [**]
 - iv. [**]
 - v. [**]
 - vi. [**]
 - vii. [**]
 - viii. [**]
 - ix. [**]
 - x. [**]
 - xi. [**]
 - xii. [**]
 - xiii. [**]
 - xiv. [**]
 - xv. [**]
 - xvi. [**]
 - xvii. [**]
 - xviii. [**]
 - xix. [**]
 - xx. [**]
 - [**]

4.5 [**]

4.6 Each Party agrees that no adverse changes to the rights (including economic rights), preferences and privileges of the Series A Preferred Stock and the Series B Preferred Stock may be made without the prior approval of the holders of such Shares and notably:

[**]

In addition, pursuant to the Terms and Conditions, each Party, within the limits of their power and their rights, undertakes to vote in favor of any shareholders' resolution relating to (i) the creation of a specific accounting reserve for the sole purpose of the payment of the par value of Ordinary Shares to be issued upon conversion of Series A Preferred Stock according to their Terms and Conditions (the "**Specific Reserve**") and (ii) the allocation, in one or several installments, of (a) any premiums ("*prime d'émission*") paid to subscribe Shares (including premiums paid for the subscription of Series B Preferred Stock) and (b) a portion of any distributable profit of the Company to the Specific Reserve [**]

4.7 The Parties undertake to vote or cause to vote in favor of any shareholders' resolution and more generally to take any action required to effect and implement the provisions of this Article 4.

4.8 The convening notices will be sent at least 5 days in advance (except in emergencies), by any means, on the initiative of the President.

The quorum required for any meeting of the Board of Directors upon first summons (*convocation*) (the "**First Meeting**") shall include at least the Vuzix Director (present or represented). In case such quorum is not met, the meeting may be adjourned to a new meeting to be held no less than three (3) days after the First Meeting with the same agenda, at which no quorum other than the OS Director (present or represented) shall be required.

4.9 The Board of Directors may also deliberate by means of teleconference, videoconference or any other method of remote meeting, with the persons participating in the meeting in this manner being deemed to be present for the calculation of quorum and majority.

4.10 Without prejudice to Article 4.4, the Board of Directors shall meet quarterly to discuss :

[**]

4.11 No remuneration is paid for the duties of a member of the Board of Directors.

ARTICLE 5. NOTICE OF TRANSFERS; PERMITTED TRANSFERS; CALL OPTIONS

5.1 For ten (10) years after the date of this Agreement, so long as the Granted License has not been terminated or the License Agreement has not been terminated during this period, the Founders may not Transfer any Shares [**] without the prior written consent of Vuzix and the Company will not recognize any Transfer in violation of this provision, which Transfer will be deemed null and void and of no force or effect.

5.2 Notwithstanding Article 5.1, a Permitted Transferor may make Permitted Transfers without the consent of the other Parties provided that (a) the Permitted Transferor provides the other Parties written notice of such transfer, and (b) such Permitted Transfer complies with Article 11. Each Party will provide the other Parties with written notice of any other transfers permitted by this Agreement.

5.3 As from the date Vuzix owns at least 25,250,000 Ordinary Shares (the "**Call Option Trigger Date**"), Vuzix shall have the right, upon its sole option, within three hundred sixty five (365) days following the Call Option Trigger Date (the "**Call Option Period**"), to purchase all Ordinary Shares [**] (the "**Option Securities**") in accordance with the provisions of this Article 5.3 (the "**Call Option**").

Vuzix accepts the benefit of the Call Option as an irrevocable promise to sell [**]

The sale price of the Option Securities under the Call Option shall be equal to EUR one (1 €) per share.

Vuzix shall have the right to exercise the Call Option anytime within the Call Option Period by issuing a notice to the Company [**] of its desire to exercise such Call Option (the "**Call Option Exercise Notice**").

Should Vuzix exercise the Call Option pursuant to the terms and conditions set forth above, the transfer of the Option Securities shall be completed by the delivery of the share transfer forms and other documents (duly completed and executed) required for the transfer of ownership and the registration of the transfer in the Company's share transfer register, in exchange for payment of the corresponding price, at the latest thirty (30) days after the Call Option Exercise Notice (the "**Call Option Completion Date**").

The payment of the sale price of the Option Securities by Vuzix shall be made by wire transfer, in immediately available funds [**] the details of which will be provided [**] prior to the Call Option Completion Date.

If the Call Option is not exercised during the Call Option Period, such Call Option is automatically void.

5.4 As from the 5th anniversary of the date of this Agreement, in the event that (i) the Valuation Milestone (as defined in the SPA) has not be achieved or accelerated according to section 2.2(a) or section 2.2(d) respectively of the SPA at this date and that (ii) Vuzix owns at least 25,250,000 Ordinary Shares upon conversion of 25,250 shares of Series A Preferred Stock, Vuzix shall have the right, upon its sole option, to purchase (a) 3,030 shares of Series B [**] and (b) 758 shares of Series B [**] (the "**Vuzix Option Securities**") in accordance with the provisions of this Article 5.4 (the "**Vuzix Call Option**").

Vuzix accepts the benefit of such undertaking as an irrevocable promise to sell [**]

Vuzix shall exercise the Vuzix Call Option [**] within three hundred sixty five (365) days following the later to occur of (i) the date of payment by the Company of the dividends declared for the financial year ending before the 5th anniversary of the date of this Agreement or (ii) the Call Option Trigger Date (the "**Vuzix Call Option Period**"), a notice indicating its decision to exercise the Vuzix Call Option pursuant to this Article 5.4. In such case [**] shall be bound to Transfer to Vuzix all [**] Series B Preferred Stock [**] for EUR ten (10 €) per share, within ten (10) days as from the notice from Vuzix [**]

The transfer of the shares of Series B Preferred Stock to Vuzix shall be completed by the delivery of the share transfer forms and other documents (duly completed and executed) required for the transfer of ownership and the registration of the transfer in the Company's share transfer register, in exchange for payment of the corresponding price (the "**Vuzix Call Option Completion Date**").

The payment of the sale price of the Vuzix Option Securities by Vuzix shall be made by wire transfer, in immediately available funds [**] the details of which will be provided [**] prior to the Vuzix Call Option Completion Date.

If the Vuzix Call Option is not exercised during the Vuzix Call Option Period, such Vuzix Call Option is automatically void.

ARTICLE 6. INFORMATION TO VUZIX

- 6.1 In addition to the rights granted to them by applicable laws and regulations, the Company and the Founders, within the limit of their respective powers, undertake that Vuzix shall be provided with the following financial statements with respect to the Company and its Subsidiaries, if any:
- i. as soon as practicable, but in any event within ninety (90) days after the end of each fiscal year of the Company (i) a balance sheet as of the end of such year, (ii) statements of income and of cash flows for such year, and (iii) a statement of stockholders' equity as of the end of such year, if requested by Vuzix, the Company will appoint a statutory auditor and all such financial statements will be audited, the cost of which audit will be borne by Vuzix;
 - ii. as soon as practicable, but in any event within forty-five (45) days after the end of each quarter of each fiscal year of the Company, unaudited statements of income and cash flows for such fiscal quarter, and an unaudited balance sheet as of the end of such fiscal quarter, all prepared in accordance with GAAP (except that such financial statements may (i) be subject to normal year-end adjustments; and (ii) not contain all notes thereto that may be required in accordance with GAAP);
 - iii. with respect to the financial statements called for in paragraph (i) of this Article 6.1, an instrument executed by the chief financial officer (if there is one) or the accountants for the Company certifying that such financial statements were prepared in accordance with GAAP consistently applied with prior practice for earlier periods (except as otherwise set forth in paragraph (ii) of this Article 6.1) and fairly present the financial condition of the Company and its results of operation for the periods specified therein.

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- 6.2 Such other information relating to the financial condition, business, prospects, or corporate affairs of the Company as any shareholder of the Company may from time to time reasonably request.
- 6.3 If, for any period, the Company has any Subsidiary whose accounts are consolidated with those of the Company, then in respect of such period the financial statements delivered pursuant to the foregoing sections shall be the consolidated and consolidating financial statements of the Company and all such consolidated Subsidiaries.
- 6.4 In addition, the Company shall allow reasonable inspection of its properties and books and financial records by Vuzix, provided that Vuzix (and/or, as the case may be, its advisor) enters into customary non-disclosure agreements with respect to the information that may be provided to them on such inspection, and being specified that:
- i. the fees and expenses of each such inspection shall be borne by Vuzix unless such inspection is made necessary because of a continued breach of the obligations under this Article 6 for more than sixty (60) days after notification of such breach to the Company, in which case such fees and expenses shall be borne by the Company, up to 20,000 € per financial year;
 - ii. the Company shall be informed at least five (5) business days in advance of any inspection; and
 - iii. such inspection shall be exercised during normal business hours.

ARTICLE 7. CORPORATE SOCIAL RESPONSIBILITY - ESG

The Company acknowledges that Vuzix and its Affiliates make their investments and monitor their shareholdings in consideration of the environmental, social, corporate and the good corporate governance standards, such as:

- use of the natural resources;
- environmental impact;
- employment;
- social dialogue;
- human resources;
- attention paid to people;
- relationship with suppliers and clients;
- relationship with the region and stakeholders in general;

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- governance; or
- management.

The Company undertakes to make its best efforts to adopt a progress-making approach so that the Company and its Subsidiaries, as the case may be, operate their business in a way which reconciles economic interest and corporate social responsibility.

ARTICLE 8. DURATION AND TERMINATION OF THIS AGREEMENT

- 8.1 This Agreement is entered into for a period of fifteen (15) years as from its execution. At the end of this first period of fifteen (15) years, this Agreement shall be automatically renewed for periods of five (5) years. On any renewal, any Party may terminate its participation to this Agreement, by notifying such decision to the other Parties at least six (6) months in advance.
- 8.2 This Agreement will terminate as to any specific Party, on the date when such Party shall cease to hold any Shares or Security, save that (i) this shall not relieve that Party and the Company from any liabilities or obligations whatsoever in respect of matters, undertakings or conditions which shall have been done or not have been done, observed or performed by that Party prior to such termination, and (ii) provisions of Article 10 shall continue to bind that Party and the Company for a two (2) year period after the termination of this Agreement.

ARTICLE 9. ATTORNEY

- 9.1 In order to guarantee the exercise of the rights which the Parties mutually grant to each other and to give full effect to this Agreement, the Parties agree to designate, jointly and irrevocably, the Company as their common attorney in charge of administrating this Agreement (the “Attorney”).

The Company is entering into this Agreement specifically to accept this power of attorney of common interest, in accordance with the following provisions. For the purpose of article 1161 of the French civil code, each Party represented for the purpose of this Agreement has expressly authorized, as the case may be, its attorney to act as representative of any other Party.

- 9.2 As the administrator of this Agreement, especially empowered by the Parties for the duration of this Agreement as provided in Article 9.1:
- only the Attorney will be allowed to deal with and, as the case may be, to enforce the transfer orders (*ordres de mouvement*) issued by the Parties and relating to the Securities;
 - the Attorney shall be bound to check the conformity of such transfer orders to the undertakings subscribed in this Agreement;

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- the Attorney shall register a transfer order only after ensuring that the procedures provided for in this Agreement have been complied with and that the execution of the transfer order may be completed;
 - the Attorney shall ensure that (i) the shareholders of the Company holding 5% and less of the Shares on a non-fully diluted basis and (ii) the holders of options or warrants to subscribe or purchase Shares or other Securities execute a short-form shareholders’ agreement;
- Consequently, the Parties hereby grant to the Attorney all powers to execute the short-form shareholders’ agreement in the name and on behalf of all Parties;
- the Attorney shall record adhesions to this Agreement as provided for in Article 11 (*New parties to this Agreement*);
 - the Attorney will collect by all means the unanimous decisions of the Parties relating to the amendment, modification or waiver of any of the provisions hereof and will implement, as the case may be, the resulting changes to this Agreement.

- 9.3 This power of attorney shall apply to all of the Securities held by the Parties.

ARTICLE 10. CONFIDENTIALITY

- 10.1 Each Party undertakes to consider as strictly confidential and not to divulge, sell or transfer to any Third Party, this Agreement and any documents or information which it may acquire or to which it may have access in the course of its relationship with or responsibilities in the Company concerning, in particular, the activities, products, clients, the strategy, the development, the commercial or partnership agreements and the financial situation of the Company or its Subsidiaries unless made:

- with the prior consent of the Parties (for this Agreement) and of the Company (for any document or information relating thereto),
- as required by the applicable mandatory laws or regulations,
- to the directors, managers, employees or professional advisers of a Party, provided that it be necessary to the performance by such Party of its obligations and undertakings or to the exercise of its rights in relation to the Company and provided that the director, manager, employee or professional adviser referred to above be subject to a customary confidentiality agreement or similar confidentiality obligation, which the Party concerned will make sure of, it being specified that the persons representing funds or investment firms which are Parties may communicate to the competent bodies of the companies managing such funds the information required to allow them to make decisions upon matters relating to the Company. In addition, the said managing companies may communicate the information required under applicable laws and regulatory or pursuant to their respective bona fide internal policies to the shareholders, partners or members of the relevant fund or investment firms, provided that the managing companies, shareholders, partners or members of the relevant fund or investment firms referred to above be subject to a customary confidentiality agreement or similar confidentiality obligation, which the Party concerned will make sure of,

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- regarding the existence of any *pacte de préférence* granted pursuant to this Agreement (but excluding its content), in accordance with article 1123 of the French civil code, to a Third Party by any Party who benefits from such *pacte de préférence*, but only in order to and to the extent necessary to preserve its right, being provided that such Party shall previously inform the Company of any request to this effect, or
- with the prior authorization of Vuzix, to a *bona fide* potential investor subject to a customary confidentiality agreement, which the Party concerned will make sure of.

10.2 Information will not be regarded as confidential, however, if:

- it is in the public domain due to a third party and not because of the negligence of the Party concerned;
- it is available through other sources without breach of any confidentiality undertaking.

ARTICLE 11. NEW PARTIES TO THIS AGREEMENT

Should a Party decide to Transfer one or more of its Shares or other Securities to a Third Party if and as permitted hereby, such Party undertakes to require the Third Party to, and such Transfer shall be conditioned upon:

- The written agreement by said Third Party (i) to adhere to and be bound by this Agreement and the SPA and become a Party for purposes of this Agreement and the SPA and the said Third Party shall accede to this Agreement and the SPA with the same quality, rights and obligations as the transferor of the Shares except for rights and obligations that are by their nature strictly personal to the transferor.
- The execution by said Third Party of deeds of adherence to this Agreement and the SPA as confirmation that such transferee shall be bound by all the terms and conditions of this Agreement and the SPA.

For this purpose, the Parties grant to the Company, an irrevocable power to record such adhesion in their name and on their behalf.

Accordingly, the mere signature by the Company of a copy of this Agreement signed also by said Third Party shall be deemed signed by all Parties.

The Company shall also have all powers to modify this Agreement, but only to the extent required to insert therein the name of the Third Party, and all the Parties shall be bound by the modifications so made.

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A copy of the amended Agreement shall then be sent by the Company to each of the Parties.

If the Third Party does not execute a deed of adherence to each of this Agreement and the SPA on the Transfer date at the latest, the Parties irrevocably instruct the Attorney not to register the Transfer of Securities to the Third Party in the individual shareholders' accounts until a deed of adherence to each of this Agreement and the SPA signed by such Third Party has been secured.

ARTICLE 12. NOTICES

12.1 All notices and other communications required or authorized hereunder shall be in writing and validly made if either delivered via courier or sent by registered letter (return receipt requested), facsimile or e-mail (provided that it be confirmed by same day registered letter, return receipt requested or courier on expedited basis for notices sent across international boundaries) to the registered office or residence of the Party concerned as specified in the above recitals.

Any change in address or representative for purposes hereof shall be notified by the Party concerned to the other Parties as provided above.

12.2 Notices and other communications delivered via courier shall be deemed to be received as of their date of delivery, as evidenced by the delivery receipt.

Notices and other communications sent by registered mail, return receipt requested, shall be deemed to be received as of their date of first presentation to the addressee.

Notices and other communications sent by facsimile or e-mail shall be deemed to be received as of the date thereof, provided that they be confirmed by same day registered letter, return receipt requested or courier on expedited basis for notices sent across international boundaries.

ARTICLE 13. APPLICABLE LAW AND JURISDICTION

This Agreement shall be governed as to its validity, interpretation and performance by the laws of France.

Any dispute arising in connection with this Agreement and its exhibits or as a result or consequence thereof not otherwise settled shall be subject to the exclusive jurisdiction of the Paris commercial courts.

ARTICLE 14. PREFERENTIAL ALLOCATION IN THE EVENT OF A LIQUIDATION EVENT

14.1 Pursuant to the Terms and Conditions, in cases where the Company is the subject of a Liquidation Event, the Parties agree to proceed with a specific distribution of the overall consideration resulting for them from such Liquidation Event.

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14.2 For the purposes hereof, the "**Amount for Allocation**" in respect of a Liquidation Event will be (a) the Proceeds of the Transfer in the event of a Sale or (b) the Liquidation Proceeds in the event of a Liquidation (including the Liquidation resulting from a Business Sale pursuant to Article 14.3) or (c) the Merger Shares in the event of a Merger, it being understood that:

- (i) the Amount for Allocation used for the application of the Allocation Key (as defined below) in respect of a Sale will be equal to the total Transfer price effectively received by the Parties participating to the Sale (the “**Transfer Proceeds**”), it being specified that if the Transfer Proceeds include a part whose payment is deferred or conditional on the occurrence of one or more events (the “**Price Supplement**”), the Parties undertake to apply the principles described in the Terms and Conditions and this Article 14 to the allocation of the Price Supplement between them;
 - (ii) the Amount for Allocation used for the application of the Allocation Key in respect of a Liquidation will be equal to the proceeds of the Liquidation available after settlement of all liabilities, payment of the liquidation costs of the Company, and repayment of the par value of all the outstanding Securities and, more generally, after any other priority payment made by the Company imposed by the law and the applicable regulations (the “**Liquidation Proceeds**”);
 - (iii) in respect of a Merger, the shares newly issued to the Parties participating in the Merger (the “**Merger Shares**”) by the corporation benefiting the contribution or the surviving corporation, as the case may be, in exchange for the Shares transferred to it by the Parties participating in the Merger would be allocated *mutatis mutandis* as described in the Allocation Key.
- 14.3 In the event that a Business Sale occurs, the Parties undertake to vote or cause to vote in favor of a Liquidation to be completed within ninety (90) days of said Business Sale, and the proceeds from such liquidation shall be allocated as described in Article 14.4.
- 14.4 The allocation of the Amount for Allocation will be made according to the following (the “**Allocation Key**”):
- (i) in first place, the Amount for Allocation will be distributed between all the Parties participating to the Transaction, in proportion to the number of Shares held by each of them irrespective of their class, up to an amount per Share equal to five (5) percent of the Amount for Allocation;
 - (ii) in second place, the balance of the Amount for Allocation after payment of the amounts referred to in (i) above will be allocated to those Shareholders holding Series A Preferred Stock participating in the Liquidation Event, up to a total amount equal to forty-nine (49) percent of the Amount for Allocation irrespective of the number of shares of Series A Preferred Stock, and after deduction of the amounts referred to in (i) above paid in respect of each Series A Preferred Stock that they hold (the “**Preference A Amount**”);

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- (iii) in third place, the balance of the Amount for Allocation after payment of the amounts referred to in (i) and (ii) above will be allocated to those Shareholders holding Series B Preferred Stock participating in the Liquidation Event (irrespective of their class) up to an amount per share of Series B Preferred Stock held by each of them equal to (i) the Preference A Amount divided by (ii) the total number of outstanding shares of Series A Preferred Stock, it being understood that, in the event that there would be no outstanding Series A Preferred Stock on the completion date of the Liquidation Event, the balance of the Amount for Allocation after payment of the amounts referred to in (i) and (ii) above will be allocated to those Shareholders holding Series B Preferred Stock participating in the Liquidation Event (irrespective of their class) up to an amount per share of Series B Preferred Stock held by each of them equal to the subscription price of the shares of Series B Preferred Stock;
 - (iv) finally, the remaining Amount for Allocation, if any, after payments of the amounts referred to in (i) to (iii) above, will be allocated among those Shareholders holding Ordinary Shares participating in the Liquidation Event pro rata based on the number of Ordinary Shares they hold.
- 14.5 If, at one of the stages of the Allocation Key mentioned above, the fraction of the Amount for Allocation is insufficient to serve fully the relevant financial rights, the distribution of the available fraction will be made pro rata of the total financial rights of each holder of the Company’s Securities in respect of the relevant stage, in relation to all of the financial rights to be served in respect of this stage.
- 14.6 Each Party undertakes to take all reasonable actions within its respective powers to apply and comply with the provisions of this Article 14. In particular, any Transfer contract giving rise to the application of the Allocation Key shall contain any stipulation required to allow the proceeds to be allocated in accordance with the above.

ARTICLE 15. MISCELLANEOUS PROVISIONS

- 15.1 Except as otherwise expressly set forth herein, all references to a number of days shall be to calendar days.
- 15.2 In the event any of the provisions hereof were held to be null or inapplicable, in any form and for any reason, the Parties undertake to consult each other to remedy the cause of such nullity, so that, except where impossible, this Agreement remains in full force without disruption.
- 15.3 The Parties undertake to communicate, execute and deliver any information and any document, as well as to take any action or decision which may be necessary to the performance of this Agreement.
- 15.4 The Parties and the Company acknowledge that, pursuant to the terms of this Agreement, they are bound by certain undertakings to Transfer Securities. As a consequence, and in accordance with article 1124 of the French civil code, each Party and the Company acknowledges that in case of any withdrawal or non-performance of a Transfer subsequent to the exercise of an option or an undertaking to Transfer Securities, it will not prevent the underlying agreement to be valid.

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Each Party and the Company further agrees that if a Party defaults in the execution of any such undertakings hereunder (before or after the exercise of the right to purchase Securities by the other Parties), the allocation of damages to the other Parties will not be an appropriate and sufficient remedy.

Each Party and the Company acknowledges that, accordingly, (i) the beneficiary of any option or right hereunder shall, in any case, be entitled to pursue specific performance (*exécution forcée*) without prejudice to any additional compensation (*dommages et intérêts complémentaires*) and (ii) by exception to article 1221 of the French civil code, there exists no physical, legal nor moral obstacle that would prevent such specific performance (*exécution forcée*) to take place and (iii) each Party and the Company may in any case be entitled to pursue specific performance (*exécution forcée*) even if an obvious disproportion between the cost of the performance of its obligation for the debtor and the interest of the beneficiary (for the purpose of article 1221 of the French civil code) would result from such specific performance (*exécution forcée*).

- 15.5 Each Party and the Company declares to assume all the risks arising from an unpredictable change of circumstances (*changement de circonstances imprévisible*) as a result of which implementing this Agreement would become excessively onerous for such Party and acknowledges that the valuation of the Shares or Securities may vary in the future. As a consequence, each Party waives its right to make any claim under article 1195 of the French civil code, in particular with respect to any variation of the value of the Shares.
- 15.6 This Agreement will benefit to and be binding on the heirs, legatees, assignees, and legal representatives of each of the Parties.
- 15.7 The Parties and the Company declare that they have sought counsel from their respective own lawyers and/or other advisors and have therefore been able to independently assess the scope of their rights and obligations under this Agreement. No advisor or lawyer shall be deemed to be the sole draftsman (*rédacteur unique*) of this Agreement *vis-à-vis* all the Parties.
- 15.8 This Agreement sets forth the entire agreement between the Parties and the Company hereto pertaining to the subject matter hereof and supersedes and terminates all preliminary agreements, signed agreements, memoranda or letters of proposal or intent between the Parties and the Company hereto, in connection with the subject matter hereof entered into prior to the Effective Date.

ARTICLE 16. ELECTRONIC SIGNATURE

- 16.1 The Parties and signatories of the Agreement acknowledge and agree:

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- (i) that the Agreement is entered into in writing in electronic form, in accordance with the terms of article 1366 of the French Civil Code, and signed electronically by means of a reliable identification process implemented by DocuSign® (www.docusign.com), guaranteeing the link between each signature and this Agreement in accordance with the provisions of article 1367 of the French Civil Code;
- (ii) that the signature of this Agreement via the affixing of an electronic signature is performed with full knowledge of the technology used to that end, of its terms of use and of provisions of articles 1366 and 1367 of the French Civil Code, and thus irrevocably and unconditionally waive any right he/she/it would have to make any claim or initiate legal proceedings directly or indirectly in relation to the reliability of such electronic signature process and/or evidence of his/her/its intention to enter into this Agreement in such respect;
- (iii) that the Agreement has the same enforceability as a hard-copy written document pursuant to the provisions of article 1366 of the French Civil Code and the Agreement shall be validly invoked to evidence such enforceability;
- (iv) that (i) the requirement of having one original copy of the Agreement per Party shall be deemed to be fulfilled if the Agreement electronically signed is established and stored pursuant to articles 1366 and 1367 of the French Civil Code and (ii) this process allows each Party to be provided with a copy of the Agreement on a material format or to have access to a copy of the Agreement, pursuant to the provisions of article 1375 of the French Civil Code;
- (v) to designate Paris (France) as the place of signature of the Agreement; and
- (vi) that the Agreement shall take effect on the Effective Date.

[Signature pages follow]

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Executed as of the Effective Date, via DocuSign, by:

/s/ Jonthan Sachs
Dr. Jonathan Sachs

/s/ Jerry Woodall
Dr. Jerry Woodall

/s/ Paul Travers
Vuzix Corporation
duly represented by Mr. Paul Travers

/s/ Jonathan Sachs
Atomistic
duly represented by Dr. Jonathan Sachs

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Schedule A

The capital of the Company immediately prior to the date of this Agreement consists of:

1. 29,038 Ordinary Shares [**];

[**]

2. 29,038 shares of Series B Preferred Stock [**];

[**]



Press Release

Vuzix Enters into Agreements to Deliver the World's First Fully Integrated Color MicroLED Microdisplay for AR Glasses

Exclusive license of key mLED technology, design of a state-of-the-art backplane, with the ultimate goal of acquiring Atomistic

ROCHESTER, NY, May 18, 2022 – Vuzix® Corporation (NASDAQ: VUZI), ("Vuzix" or, the "Company"), a leading supplier of Smart Glasses, waveguides and Augmented Reality (AR) technology, today announced it has signed a series of agreements with Atomistic SAS ("Atomistic"), a next generation micro light emitting diode ("mLED") display solutions enterprise based in France. These agreements provide for an exclusive license of key mLED technology, the design of a custom backplane and, dependent upon achievement of various technical stages, the ability to acquire the enterprise.

Atomistic's technology is based on a novel materials science innovation with specific attributes that are key enablers to solve the main challenges from LED devices for AR applications: emitters for red, green and blue spectral wavelengths based on a single epitaxial structure transferred to a CMOS backplane; high brightness; and greater efficiency at small pixel pitches. The potential benefits of this new approach would result in one of the smallest form factors with the highest performance and lowest power solutions on the market, and could provide a cornerstone piece of technology focused on the AR markets that are expected to demand hundreds of millions of units annually.

For the AR and heads-up display (HUD) markets, there is a clear need for self-emissive ultra-small microdisplays that are high in brightness and efficiency, full color, compact and scalable to support low-cost and high-volume manufacturing. For the wearable display/AR glasses markets specifically, mLED displays as contemplated by Atomistic combined with Vuzix' see-through waveguides provide the technical solution which is so pivotal to developing fashion forward, ergonomic AR glasses. This market is expected to ultimately be as large as the current smart phone market with many expecting AR smart glasses to be the future mobile computing platform for consumers and enterprises globally.

Atomistic Background:

Atomistic was established for the sole purpose of delivering next-generation mLEDs based on novel materials science innovations and system level integration on advanced node CMOS backplanes of its own design. Its principal founders, Jonathan Sachs, PhD and Jerry Woodall, PhD, are well known experts in the fields of materials science, the compound semiconductor heterojunction (along with other compound semiconductor devices), LEDs, lasers and micro-displays on silicon backplanes using various modulating techniques and have both successfully developed and patented significant and cornerstone advancements in the technology space.

Dr. Sachs has a broad knowledge of semiconductor materials and their applications to high temperature and high-speed electronics, optoelectronics, electrical and optical properties of materials (LEDs, lasers), device physics, and design of CMOS integrated circuits. Over the last 25 years, he founded and has driven numerous semiconductor and display-based technology companies whose technology today is used by leading companies in the field.



Press Release

Dr. Woodall has had a pioneering role on the research and development of compound semiconductor materials and devices over a career spanning five decades. In 2001, Dr. Woodall received the National Medal of Technology and Innovation, the Nation's highest honor for technological achievement granted by the President of the United States. He has been cited for the invention and development of technologically and commercially important compound semiconductor heterojunction materials, processes and related devices, such as red and infrared LEDs, lasers, ultra-fast transistors and solar cells. He was one of the pioneers of the liquid-phase epitaxial growth of high efficiency infrared LEDs, which led to his most important research contribution so far: the first working gallium aluminum arsenide/gallium arsenide heterojunction, the interface between two different semiconductor materials. This remains one of the world's most important compound semiconductor heterojunctions.

Technology Background

Atomistic has developed a novel approach to solving fundamental challenges associated with very small pixel pitch, exceptionally bright, full color uLED displays required for the AR market and its closely associated markets.

The Atomistic team, along with system level support from Vuzix, will be delivering a backplane on advanced node 300mm wafers intended to support mLEDs based upon its innovative material science as well as alternative LEDs from potential third party suppliers.

"Being in the semiconductor industry specializing on LEDs and microdisplays for all these years, we have created countless solutions that have advanced the state-of-the-art, from the fundamentals of heterojunction physics to advanced displays in the LCoS and OLED fields. Working with Vuzix on advancing this leading technology where we have lived for our entire professional careers should result in one of the most advanced displays we have developed yet. Having the insights of the Vuzix team will be invaluable to help ensure the system level solution hits the mark for product. We are very excited to be part of this effort with Vuzix as a partner," said Drs. Sachs and Woodall.

"We are thrilled to be partnering with these two revolutionary visionaries and their newly formed entity Atomistic," said Paul Travers, President and CEO of Vuzix. "We look forward to supporting their efforts to change the world with new microdisplays that will work "hand-in-glove" with Vuzix' industry leading waveguides. This deal has been structured to heavily align the two principals, and Atomistic as a company, to the success of the program and ultimately along with Vuzix. The developed solutions will be used in Vuzix' own products and, in the future, mLED displays coupled with Vuzix advanced high-volume waveguides will be offered globally to third party OEMs for use in their AR glasses."

Conference Call Information

Date: Wednesday, May 18, 2022
Time: 4:30 p.m. Eastern Time (ET)
Dial-in Number for U.S. & Canadian Callers: 877-709-8150
Dial-in Number for International Callers (Outside of the U.S. & Canada): 201-689-8354

A live and archived webcast of the conference call will be available on the investor relations page of the Company's website at: <https://ir.vuzix.com/> or directly at <https://event.choruscall.com/mediaframe/webcast.html?webcastid=Sz8swsuw>.

Presenting on the call will be Vuzix' Chief Executive Officer and President Paul Travers, who along with Chief Financial Officer Grant Russell and Chief Operating Office Pete Jameson, will conduct a Q&A session on the call following prepared remarks.

To join the live conference call, please dial into the above referenced telephone numbers five to ten minutes prior to the scheduled conference call time.

A telephonic replay will be available for 30 days, starting on May 18, 2022, at approximately 5:30 p.m. (ET). To access this replay, please dial 877-660-6853 within the U.S. or Canada, or 201-612-7415 for international callers. The conference replay ID# is 13730166.

About Vuzix Corporation

Vuzix is a leading supplier of Smart Glasses and Augmented Reality (AR) technologies and products for the consumer and enterprise markets. The Company's products include personal display and wearable computing devices that offer users a portable high-quality viewing experience, provide solutions for mobility, wearable displays and augmented reality. Vuzix holds 245 patents and patents pending and numerous IP licenses in the Video Eyewear field. The Company has won Consumer Electronics Show (or CES) awards for innovation for the years 2005 to 2022 and several wireless technology innovation awards among others. Founded in 1997, Vuzix is a public company (NASDAQ: VUZI) with offices in Rochester, NY, Oxford, UK, and Tokyo, Japan. For more information, visit the [Vuzix website](#), [Twitter](#) and [Facebook](#) pages.

Forward-Looking Statements Disclaimer

Certain statements contained in this news release are "forward-looking statements" within the meaning of the Securities Litigation Reform Act of 1995 and applicable Canadian securities laws. Forward looking statements contained in this release relate to our business relationship with Atomistic, the level of success of the planned mLED and related backplane developments, ultimate processes and solutions for actual commercialization within the planned timeframe, and among other things the Company's leadership in the Smart Glasses and AR display industry. They are generally identified by words such as "believes," "may," "expects," "anticipates," "should" and similar expressions. Readers should not place undue reliance on such forward-looking statements, which are based upon the Company's beliefs and assumptions as of the date of this release. The Company's actual results could differ materially due to risk factors and other items described in more detail in the "Risk Factors" section of the Company's Annual Reports and MD&A filed with the United States Securities and Exchange Commission and applicable Canadian securities regulators (copies of which may be obtained at www.sedar.com or www.sec.gov). Subsequent events and developments may cause these forward-looking statements to change. The Company specifically disclaims any obligation or intention to update or revise these forward-looking statements as a result of changed events or circumstances that occur after the date of this release, except as required by applicable law.



Press Release

Vuzix Media and Investor Relations Contact:

Ed McGregor, Director of Investor Relations,
Vuzix Corporation
ed_mcgregor@vuzix.com
Tel: (585) 359-5985

Vuzix Corporation, 25 Hendrix Road, West Henrietta, NY 14586 USA,
Investor Information – IR@vuzix.com www.vuzix.com
