LIGHTPATH TECHNOLOGIES INC
Form DEF 14A
October 01, 2018

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

SCHEDULE 14A
(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT
SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities
Exchange Act of 1934 (Amendment No.)

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

Check the appropriate box:

Preliminary Proxy Statement
Confidential, For use of the Commission Only (as permitted by Rule 14a-6(e)(2))
Definitive Proxy Statement
Definitive Additional Materials
Soliciting Material Pursuant to §240.14a-12

LIGHTPATH TECHNOLOGIES, INC.
(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.
Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11(set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid

Fee paid previously with preliminary materials:

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount previously paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

LightPath Technologies, Inc.

Annual Meeting of Stockholders

November 15, 2018

Notice and Proxy Statement

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
To Be Held On Thursday, November 15, 2018

Dear Fellow LightPath Stockholders: October 1, 2018

It is our pleasure to invite you to this year's Annual Meeting of the Stockholders of LightPath Technologies, Inc. The meeting will be held on Thursday, November 15, 2018 at 11:00 a.m. EDT at the Hyatt Regency Orlando International Airport Hotel. The address is 9300 Airport Boulevard, Orlando, Florida 32827. The purpose of the Annual Meeting is to vote on the following:

1.
To elect Class II directors to our Company's Board of Directors;

2.
To approve our Company's 2018 Omnibus Incentive Plan (the "Incentive Plan");

3.
To hold a stockholder advisory vote on the compensation of our named executive officers disclosed in this Proxy Statement under the section titled "Executive Compensation," including the compensation tables and other narrative executive compensation disclosures therein, required by Item 402 of Securities and Exchange Commission Regulation S-K (the "say-on-pay vote");

4.
To ratify the selection of Moore Stephens Lovelace, P.A. ("Moore Stephens Lovelace") as our independent registered public accounting firm; and

5.
To transact such other business as may properly come before the Annual Meeting or any postponement or adjournment thereof.

You will also have the opportunity to hear what has happened in our business in the past year and to ask questions.

Only stockholders of record at the close of business on September 17, 2018 will be entitled to receive notice of and to vote at the Annual Meeting or any postponement or adjournment thereof. The enclosed Notice and Proxy Statement contain details concerning the foregoing items and any other business to be conducted at the Annual Meeting, as well as information on how to vote your shares. Other detailed information about us and our operations, including our audited financial statements, are included in our Annual Report on Form 10-K (the "Annual Report"), a copy of which is enclosed. We urge you to read and consider these documents carefully.

Your vote is very important. Whether or not you expect to attend the Annual Meeting, we urge you to cast your vote and submit your proxy in advance of the Annual Meeting. You can vote in person at the Annual Meeting or by internet, telephone, or mail as follows:

By Internet Visit www.AALvote.com/LPTH	By Phone Call the telephone number on your proxy card, voting instruction form, or notice	By Mail Sign, date, and return the enclosed proxy card or voting instruction form	In Person Attend the Annual Meeting in Orlando

/s/ J. James Gaynor	/s/ Robert Ripp
J. James Gaynor	Robert Ripp
President & Chief Executive Officer, Director	Chairman of the Board

2603 Challenger Tech Court, Suite 100 * Orlando, Florida USA 32826 * 407-382-4003

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LIGHTPATH TECHNOLOGIES, INC.

PROXY STATEMENT
FOR ANNUAL MEETING OF STOCKHOLDERS
To be held November 15, 2018

This Proxy Statement, and the enclosed proxy card, is solicited by the Board of Directors (the "Board") of LightPath Technologies, Inc., a Delaware corporation, for use at the Annual Meeting of Stockholders (the "Annual Meeting") to be held Thursday, November 15, 2018 at 11:00 a.m. EDT, or at any adjournments or postponements thereof, for the purposes set forth in the accompanying Notice of Annual Meeting of Stockholders. The Annual Meeting will be held at 11:00 a.m. EDT at the Hyatt Regency Orlando International Airport Hotel located at 9300 Airport Boulevard, Orlando, Florida 32827.

References in this Proxy Statement to "LightPath," "we," "us," "our," or the "Company" refers to LightPath Technologies, Inc.

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE MEETING OF STOCKHOLDERS TO BE HELD ON NOVEMBER 15, 2018.

This Proxy Statement, the enclosed proxy card, and the Annual Report for the fiscal year ended on June 30, 2018, are all available on our website at www.lightpath.com. With respect to the Annual Meeting and all of our future stockholder meetings, please contact Dorothy Cipolla at 1-800-472-3486 ext. 305, or dcipolla@lightpath.com, to request a copy of the proxy statement, annual report, or proxy card, or to obtain directions to such meeting.

What is a proxy?

A proxy is your legal designation of another person to vote the stock you own and are entitled to vote. The person you designate is your "proxy," and, by submitting a proxy card, you give the proxy the authority to vote your shares. We have designated Robert Ripp, Chairman of the Board, as proxy for the Annual Meeting.

Why am I receiving these materials?

You are receiving this Proxy Statement and the enclosed proxy card because our Board is soliciting your proxy to vote at the Annual Meeting for the purposes set forth herein. This Proxy Statement provides you with information on the matters to be voted on at the Annual Meeting as well as instructions on how to vote.

We intend to mail this Proxy Statement and accompanying proxy card on or about October 1, 2018 to all stockholders of record entitled to vote at the Annual Meeting.

Who can vote at the Annual Meeting?

You can vote if, as of the close of business on September 17, 2018 (the “Record Date”), you were a stockholder of record of the Company’s Class A common stock, par value $0.01 per share (the “Class A common stock), our only class of common stock issued and outstanding. On the Record Date, there were 25,773,605 shares of Class A common stock issued and outstanding.

Stockholder of Record: Shares Registered in Your Name

If on the Record Date, your shares were registered directly in your name with our transfer agent, Computershare Trust Company, N.A., then you are a stockholder of record. As a stockholder of record, you may vote in person at the Annual Meeting or vote by proxy. Whether or not you plan to attend the Annual Meeting, we urge you to vote by written proxy, telephone, or the internet to ensure your vote is counted. Even if you vote by proxy, you may still vote in person if you are able to attend the Annual Meeting.

Beneficial Owner: Shares Registered in the Name of a Broker or Bank

If on the Record Date, your shares were held in an account at a brokerage firm, bank, dealer, or other similar organization, then you are the beneficial owner of shares held in “street name” and these proxy materials are being forwarded to you by that organization. The organization holding your account is considered the stockholder of record for purposes of voting at the Annual Meeting. As a beneficial owner, you have the right to direct your broker or other agent on how to vote the shares in your account. If you do not direct your broker how to vote your shares, the broker will be entitled to vote the shares with respect to “discretionary” items but will not be permitted to vote the shares with respect to “non-discretionary” items (resulting in a “broker non-vote”). The ratification of the appointment of our independent registered public accounting firm under Proposal 4 is a “discretionary” matter. The election of directors under Proposal 1, the approval of the Incentive Plan under Proposal 2, and the advisory say-on-pay vote under Proposal 3 are “non-discretionary” items.

You are also invited to attend the Annual Meeting. However, since you are not the stockholder of record, you may not vote your shares in person at the Annual Meeting unless you request and obtain a valid proxy from your broker or other agent.

How many votes do I have?

On each matter to be voted upon, you have one vote for each share of Class A common stock you owned as of the Record Date.

What am I voting on?

The following matters are scheduled for the Annual Meeting: (i) the election of three Class II directors to our Board; (ii) the approval of the Incentive Plan; (iii) an advisory say-on-pay vote; and (iv) the ratification of the selection of Moore Stephens Lovelace as our independent registered public accounting firm. A vote may also be held on any other business as may properly come before the Annual Meeting or any postponement or adjournment thereof, although there is no other business anticipated to come before the Annual Meeting.

What are my voting choices for each of the items to be voted on at the Annual Meeting?

Proposal	Board Recommendation	Voting Choices	Vote Required for Adoption	Effect of Abstentions	Effect of Broker Non-Votes
1 – Election of Director Nominees	FOR each nominee	Vote "For" any or all of the nominees listed Vote "Withhold" to withhold your vote for any or all of the nominees listed	Plurality of the votes of the shares present in person or by proxy and entitled to vote at the Annual Meeting	No effect	No effect
2 – Approval of the Incentive Plan	FOR	Vote "For" the approval of the Incentive Plan Vote "Against" the approval of the Incentive Plan Abstain from voting on this proposal	Approved if a majority of the shares present in person or represented by proxy and entitled to vote support the proposal	Treated as votes against proposal	No effect
3 – Approval of the compensation of our named executive officers	FOR	Vote "For" the approval of the compensation of our named executive officers Vote "Against" the approval of the compensation of our named executive officers Abstain from voting on this proposal	Approved, on a non-binding advisory basis, if a majority of the shares present in person or represented by proxy and entitled to vote support the proposal	Treated as votes against proposal	No effect
4 – Ratification of the appointment of Moore Stephens Lovelace as our independent registered public accounting firm	FOR	Vote "For" the ratification of the appointment Vote "Against" the ratification of the appointment Abstain from voting on this proposal	Approved, on a non-binding advisory basis, if a majority of the shares present in person or represented by proxy and entitled to vote support the proposal	Treated as votes against proposal	Brokers have discretion to vote

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How do I vote?

Stockholder of Record: Shares Registered in Your Name

If you are a stockholder of record, you may vote using the following methods:

In Person. To vote in person, come to the Annual Meeting and we will give you a ballot when you arrive.

By Internet or Telephone. To vote by proxy via the Internet, simply follow the instructions described on the notice or proxy card. To vote by proxy via the telephone within the United States and Canada, use the toll-free number on the notice or proxy card.

By Mail. To vote by mail using the proxy card, simply complete, sign, and date the enclosed proxy card and return it promptly in the envelope provided. If you return your signed proxy card to us before the Annual Meeting, we will vote your shares as you direct.

Whether or not you plan to attend the meeting, we urge you to vote by proxy to ensure your vote is counted. You may still attend the meeting and vote in person if you have already voted by proxy.

Beneficial Owner: Shares Registered in the Name of Broker or Bank

If you are a beneficial owner of shares registered in the name of your broker, bank, or other agent, you can vote as follows:

In Person. To vote in person at the Annual Meeting, you must obtain a valid proxy from your broker, bank, or other agent. Follow the instructions from your broker or bank included with these proxy materials, or contact your broker or bank to request a proxy form.

By Internet or Telephone. You may vote through the Internet or by telephone only if your broker, bank, or other agent makes these methods available, in which case the instructions will be included with the proxy materials.

By Mail. You should have received a proxy card and voting instructions with these proxy materials from the broker, bank, or other agent holding your shares rather than from us. To vote by mail, simply complete and mail the proxy card or voting instruction form to ensure that your vote is counted.

What if I am a stockholder of record and return a proxy card but do not make specific choices?

You should specify your choice for each matter on the proxy card. If you return a signed and dated proxy card without marking any voting selections, your shares will be voted:

FOR the nominees listed under Proposal 1;

FOR the approval of the Incentive Plan under Proposal 2;

FOR the compensation of our named executive officers under Proposal 3; and

FOR the ratification of Moore Stephens Lovelace as our independent registered public accounting firm under Proposal 4.

If any other matter is properly presented at the meeting, your proxy (the individual named on your proxy card) will vote your shares using his or her best judgment.

What if I am a beneficial owner and do not give voting instructions to my broker?

If you fail to complete a proxy card or provide your broker with voting instructions at least ten days before the meeting, your broker will be unable to vote on the non-discretionary matters. Your broker may use his or her discretion to cast a vote on any other routine or discretionary matter.

Who is paying for this proxy solicitation?

We will pay for the entire cost of soliciting proxies. In addition to these mailed proxy materials, our directors, officers, and employees may also solicit proxies by mail, in person, by telephone, or by other means of communication. Directors, officers, and employees will not be paid any additional compensation for soliciting proxies. We will also reimburse brokerage firms, banks, and other agents for the cost of forwarding proxy materials to beneficial owners.

What does it mean if I receive more than one proxy card?

If you receive more than one proxy card, your shares are registered in more than one name or are registered in different accounts. Please complete, sign, and return each proxy card to ensure that all of your shares are voted.

What is “householding”?

The Securities and Exchange Commission (the “SEC”) has adopted rules that permit companies and intermediaries such as brokers to satisfy the delivery requirements for proxy statements with respect to two or more security holders sharing the same address by delivering a single proxy statement addressed to those security holders. This process, which is commonly referred to as “householding,” potentially means convenience for security holders and cost savings for companies.

A number of brokers with account holders who are LightPath stockholders will be “householding” our proxy materials. A single proxy statement will be delivered to multiple stockholders sharing an address unless contrary instructions have been received from the affected stockholders. Once you have received notice from your broker or us that they will be “householding” communications to your address, “householding” will continue until you are notified otherwise or until you revoke your consent. If, at any time, you no longer wish to participate in “householding” and would prefer to receive a separate proxy statement, please notify your broker and also notify us by sending your written request to Investor Relations, LightPath Technologies, Inc., 2603 Challenger Tech Court, Suite 100, Orlando, Florida USA 32826 or by calling Investor Relations at 407-382-4003, ext. 314. Stockholders who currently receive multiple copies of the proxy statement at their address and would like to request “householding” of their communications should also contact their broker and notify us in writing or by telephone.

Can I revoke or change my vote after submitting my proxy?

Yes. You can revoke your proxy at any time before the final vote at the Annual Meeting. You may revoke your proxy by:

submitting a new proxy with a later date;

sending written notice of revocation to our Corporate Secretary at 2603 Challenger Tech Court, Suite 100, Orlando, Florida USA 32826 in time for her to receive it before the Annual Meeting; or voting in person at the Annual Meeting. Simply attending the meeting will not, by itself, revoke your proxy.

Who will count votes?

Votes will be counted by the inspector of elections appointed for the Annual Meeting. The inspector of elections will also determine the number of shares outstanding, the voting power of each, the number of shares represented at the Annual Meeting, the existence of a quorum, and whether or not the proxies and ballots are valid and effective.

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What is the quorum requirement?

A majority of the issued and outstanding shares of Class A common stock entitled to vote must be present at the Annual Meeting (in person or represented by proxy) in order for us to hold the Annual Meeting and conduct business. This is called a quorum. On the record date, there were 25,773,605 outstanding shares of Class A common stock (including all restricted stock awards at such date) entitled to vote. Thus, 12,886,803 shares must be present at the Annual Meeting (in person or represented by proxy) to have a quorum.

Your shares will be counted towards the quorum only if you submit a valid proxy or vote in person at the Annual Meeting. Abstentions and broker non-votes will be counted towards the quorum requirement. If there is no quorum, a majority of the shares entitled to vote and present at the Annual Meeting (in person or represented by proxy) may adjourn the meeting to another date.

How can I find out the results of the voting at the Annual Meeting?

We will announce preliminary voting results at the Annual Meeting. We will report the final voting results in a Current Report on Form 8-K filed with the SEC within four business days following such results becoming final.

When are stockholder proposals for the Fiscal 2020 Annual Meeting due?

Stockholders interested in presenting a proposal to be considered for inclusion in next year's proxy statement and form of proxy may do so by following the procedures prescribed in Rule 14a-8 under the Securities Exchange Act of 1934, as amended (the "Securities Exchange Act"), and our Bylaws. To be considered for inclusion, stockholder proposals must be submitted in writing to the Corporate Secretary, LightPath Technologies, Inc., 2603 Challenger Tech Court, Suite 100, Orlando, Florida USA 32826 before June 3, 2019, which is 120 calendar days prior to the anniversary of the mailing date of this Proxy Statement, and must be in compliance with all applicable laws and regulations.

If a stockholder wishes to present a proposal at the fiscal 2020 annual meeting, but the proposal is not intended to be included in the Company's proxy statement relating to the meeting, or nominate a director for election at the fiscal 2020 annual meeting, the stockholder must give advance notice to the Company prior to the deadline for such meeting determined in accordance with our Bylaws (the "Bylaw Deadline"). Under our Bylaws, in order for a proposal to be timely, it must be received by us no earlier than 120 days prior to the anniversary of the fiscal 2019 Annual Meeting, or July 18, 2019, and no later than 90 days prior to the anniversary date of the fiscal 2019 Annual Meeting, or August 17, 2019. If a stockholder gives notice of such a proposal after the Bylaw Deadline, the stockholder will not be permitted to present the proposal to the stockholders for a vote at the meeting or nominate a director for election at the meeting.

If a stockholder fails to meet these deadlines or fails to satisfy the requirements of SEC Rule 14a-4, the persons named as proxies will be allowed to use their discretionary voting authority to vote on any such proposal or nomination as they determine appropriate if and when the matter is raised at the fiscal 2020 annual meeting.

How do I get a copy of the exhibits filed with our Annual Report?

A copy of our Annual Report for the fiscal year ended June 30, 2018, and consolidated financial statements, were provided to you with this Proxy Statement. We will provide copies of the exhibits filed with our Annual Report upon written request if you are a stockholder as of the Record Date. Requests for such copies should be directed to Investor Relations at 2603 Challenger Tech Court, Suite 100, Orlando, Florida USA 32826. In addition, copies of all of our electronically filed exhibits may be reviewed and printed from the SEC website at http://www.sec.gov.

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PROPOSAL 1 – ELECTION OF DIRECTORS

What Am I Voting On?

Stockholders are being asked to elect three Class II directors, Sohail Khan, Dr. Steven Brueck and M. Scott Faris, each of who are current members of the Board, to serve for a term ending at the third successive annual meeting of stockholders following this Annual Meeting, or until their successors have been duly elected and qualified.

If any of the nominees becomes unable or unwilling to serve as a director before the Annual Meeting, an event which is not presently anticipated, the individual named as proxy on the proxy card may exercise discretionary authority to vote for substitute nominees proposed by the Board, or, if no substitute is selected by the Board prior to or at the Annual Meeting, for a motion to reduce the present membership of the Board to the number of nominees available.

Voting Recommendation

FOR the election of each Class II director nominee.

Board and Committee Composition

Currently, we have seven directors with each director serving until his successor is elected and qualified. Our Board is divided into three classes, denoted as Class I, Class II, and Class III, serving staggered three-year terms with one class elected at the annual meeting of stockholders. The Class I directors' term expires at the annual meeting of stockholders proposed to be held in fiscal 2020. The Class III directors' term expires at the annual meeting of stockholders proposed to be held in fiscal 2021. The Class II directors' term expires at this Annual Meeting.

The table below lists each director, each such director's committee memberships, the chairman of each Board committee, and each such director's class.

Name	Audit	Compensation	Finance	Nominating & Corporate Governance	Class
Robert Ripp					I
J. James Gaynor					I
Sohail Khan					II
Steven Brueck					II
M. Scott Faris					II
Louis Leeburg					III
Craig Dunham					III
Committee Chairman:	Leeburg	Ripp	Khan	Ripp	

Biographical and Related Information – Director Nominees, Continuing Directors, and Executive Officers

The following is an overview of the biographical information for each of our directors and officers, including their age, the year they became directors or officers, their principal occupations or employment for at least the past five years, and certain of their other directorships.

Class I Directors Robert Ripp, 77 Director (Chairman of the Board)	Mr. Ripp has served as one of our directors since 1999 and as Chairman of the Board since November 1999. During portions of fiscal year 2002, he also served as our Interim President and Chief Executive Officer. Previously, Mr. Ripp served on the board of directors of Ace Limited (“Ace”) from March 1993 to June 2016. In January 2016, Ace announced its acquisition of Chubb Limited and changed its name to Chubb Limited. Mr. Ripp also previously served on the board of directors of PPG Industries (“PPG”) from March 2003 to June 2016 and Axiall Corporation (“Axiall”) from February 2013 to June 2016. Ace, PPG, and Axiall all are listed on the New York Stock Exchange. Mr. Ripp has previous management experience, including serving as AMP Incorporated’s Chairman and Chief Executive Officer from August 1998 until April 1999 and as Vice President and Treasurer of IBM of Armonk, New York from 1989 to 1993. Mr. Ripp graduated from Iona College and earned a Master’s degree in Business Administration from New York University. Mr. Ripp’s extensive business, executive management, and financial expertise gained from various executive positions coupled with his ability to provide leadership skills to access strategic plans, business operational performance, and potential mergers and acquisitions, qualify him for service as one of our directors.
J. James Gaynor, 67 President & Chief Executive Officer, Director	Mr. Gaynor has served as our President, Chief Executive Officer, and as a Director since January 2008, and, prior to that, served as Interim Chief Executive Officer commencing in September 2007. From July 2006 to September 2007, Mr. Gaynor previously served as our Corporate Vice President of Operations. Mr. Gaynor is also a director of LightPath Optical Instrumentation (Shanghai) Co., Ltd. (“LPOI”), our wholly-owned subsidiary, located in Jiading, People’s Republic of China, LightPath Optical Instrumentation (Zhenjiang) Co., Ltd. (“LPOIZ”), our wholly-owned subsidiary, located in the New City District, of the Jiangsu province of the People’s Republic of China, ISP Optics Corporation (“ISP”), our wholly-owned subsidiary, located in Irvington, New York, and ISP Optics Latvia SIA (“ISP Latvia”), our wholly-owned subsidiary located in Riga, Latvia. Mr. Gaynor is a mechanical engineer with over 30 years of business and manufacturing experience in volume component manufacturing in the electronics and optics industries. Prior to joining us, Mr. Gaynor served as Director of Operations and Manufacturing for Puradyn Filter Technologies, the Vice President of Operations and General Manager for JDS Uniphase Corporation’s Transmission Systems Division and has also held various executive positions with Spectrum Control, Rockwell International, and Corning Glass Works. Mr. Gaynor holds a Bachelor’s degree in Mechanical Engineering from the Georgia Institute of Technology and has worked in the manufacturing industries since 1976. His experience includes various engineering, manufacturing, and management positions in specialty glass, electronics, telecommunications components, and mechanical assembly operations. His global business experience encompasses strategic planning, budgets, capital investment, employee development, cost reduction programs with turnaround and startup companies, acquisitions, and management. Mr. Gaynor has an in-depth knowledge of the optics industry gained through over 30 years of working in various capacities in the industry and understands the engineering aspects of our business, due to his engineering background. Mr. Gaynor’s experience and knowledge is necessary to lead us and qualify him for service as one of our directors.

Class II Directors

Sohail Khan, 64 Director	Mr. Khan has served as one of our directors since February 2005. Since September 2017, he has served as the managing partner of K5 Innovations, a technology consulting venture, he also served in such role from July 2011 to April 2013. He served as the President and Chief Executive Officer of ViSX Systems Inc., a pioneer and leader in media processing semiconductor solutions for video over IP streaming solutions from September 2015 until the company was acquired by Pixelworks in August 2017. From May 2013 to July 2014, he served as the Chief Executive Officer and a director of Lilliputian Systems, a developer of portable power products for consumer electronics. He was the President and Chief Executive Officer and a member of the board of directors of SiGe Semiconductor ("SiGe"), a leader in silicon based radio frequency front-end solutions from April 2007 until it was acquired by Skyworks Solutions Inc. in June 2011. Prior to SiGe, Mr. Khan was Entrepreneur in Residence and Operating Partner of Bessemer Venture Partners, a venture capital group focused on technology investments. Mr. Khan received a Bachelor of Science in Electrical Engineering from the University of Engineering and Technology in Pakistan. Additionally, he received a Master's of Business Administration from the University of California at Berkeley. Mr. Khan previously served on the board of directors and audit committee of Intersil Corporation, a public company, from October 2014 to March 2017, and the board of directors of VIXS Systems, Inc., a public company, until the acquisition by Renesas & Pixelworks in August 2017. Mr. Khan's experience in venture financing, specifically technology investments, is an invaluable asset Mr. Khan contributes to the Board composition. In addition, Mr. Khan's significant 35 years of experience in executive management, particularly with respect to technology businesses, profit and loss management, mergers and acquisitions, and capital raising, as well as his background in engineering qualifies him for service as one of our directors.
Dr. Steven Brueck, 74 Director	Dr. Brueck has served as one of our directors since July 2001. Since July 2016, he has served as Vice President and Chief Scientific Officer at Armonica Technologies, Inc. He is a Distinguished Professor, Emeritus of Electrical and Computer Engineering and of Physics at the University of New Mexico in Albuquerque, New Mexico, which he joined in 1985. Although he retired in 2014, he remains active as a University of New Mexico Research Professor. From 1986 to 2013, he served as Director of the Center for High Technology Materials. He is a graduate of Columbia University with a Bachelor of Science degree in Electrical Engineering and a graduate of the Massachusetts Institute of Technology where he received his Masters and Doctorate of Science degrees in Electrical Engineering. Dr. Brueck is a fellow of The Optical Society of America, the Institute of Electrical and Electronics Engineers, the American Association for the Advancement of Science, and the National Academy of Inventors. Dr. Brueck's expertise in optics and optics applications, as well as his extensive fifty years of research experience in optics, lasers, detectors, lithography, nonlinear optics, and related fields qualify him for service as one of our directors.

M. Scott Faris, 53 Director	Mr. Faris has served as a director of the Company since December 2011. Mr. Faris is an experienced entrepreneur with almost two decades of operating, venture-financing, and commercialization experience, involving more than 20 start-up and emerging-growth technology companies. In September 2016, Mr. Faris was named the Chief Business Officer of Luminar Technologies, Inc., a leading developer of autonomous vehicle systems technologies including Lidar sensor suites. Mr. Faris has also served as a director of Luminar Technologies, Inc. since August 2016. In June 2013, Mr. Faris founded Aerosonix, Inc. (formerly MicroVapor Devices, LLC), a privately held developer and manufacturer of advanced medical devices, and served as its Chief Executive Officer until August 2016 and has served as Chairman of the board of directors since June 2013. In 2002, Mr. Faris also founded the Astralis Group, a strategy advisor that provides consulting to start-up companies and, since 2004, Mr. Faris has served as its Chief Executive Officer. In August 2007, Mr. Faris founded Planar Energy, a company that developed transformational ceramic solid-state battery technology and products, and served as its Chief Executive Officer until June 2013. Planar Energy is a spin-out of the U.S. Department of Energy's National Renewable Energy Laboratory. From October 2004 to June 2007, Mr. Faris was a partner with Corporate IP Ventures (formerly known as MetaTech Ventures), an early stage venture fund specializing in defense technologies. Mr. Faris also previously served as the Chairman and Chief Executive Officer of Waveguide Solutions, a developer of planar optical light wave circuit and micro system products, and as a director and Chief Operating Officer of Ocean Optics, Inc., a precision-optical-component and fiber-optic-instrument spin-out of the University of South Florida. Mr. Faris was also the founder and Chief Executive Officer of Enterprise Corporation, a technology accelerator, served as a director of the Florida Seed Capital Fund and Technology Commercialization at the Center for Microelectronics Research, and the chairman of the Metro Orlando EDC. Mr. Farris received a Bachelor of Science degree in Management Information Systems from Penn State University in 1988. Mr. Faris is currently on the board of directors of Open Photonics, Inc. and Aerosonix, Inc., both of which are private companies. Mr. Faris's significant experience in executive management positions at various optical component companies, his experience in the commercialization of optical and opto-electronic component technology, and his background in optics, technology, and venture capital qualify him for service as one of our directors.

Class III Directors

Louis Leeburg, 64 Director	Mr. Leeburg has served as one of our directors since May 1996. Mr. Leeburg is currently a self-employed business consultant. Since 1993, Mr. Leeburg has served as the senior financial advisor of The Fetzer Institute, and before that, he served as the Vice President for Finance. Mr. Leeburg was an audit manager for Price Waterhouse & Co. until 1980. He is a member of Financial Foundation Officers Group and the chairman and trustee for the John E. Fetzer Memorial Trust Fund. Mr. Leeburg received a Bachelor of Science degree in Accounting from Arizona State University. Mr. Leeburg has a broad range of experience in accounting and financial matters. His expertise gained in various roles in financial management and investment oversight for over thirty years, coupled with his knowledge gained as a certified public accountant, add invaluable knowledge to our Board and qualify him for service as one of our directors.

Craig Dunham, 62 Director	Mr. Dunham has served as one of our directors since April 2016, and prior to his appointment to the Board, he served as a consultant to the Board beginning in March 2014. Since April 2015, he has been providing business and M&A consulting. From May 2011 until March 2015, Mr. Dunham served as the Chief Executive Officer of Applied Pulsed Power Inc. ("APP"), a pulsed power components and systems company near Ithaca, New York. Mr. Dunham currently serves as a director of APP. From 2004 until 2011, Mr. Dunham was President, Chief Executive Officer and director of Dynasil Corporation ("Dynasil"), a NASDAQ listed company. He continues to be a director at Dynasil and is a member of their audit committee. Prior to joining Dynasil, Mr. Dunham spent approximately one year partnering with a private equity group to pursue acquisitions of mid-market manufacturing companies. From 2000 to 2003, he was Vice President/General Manager of the Tubular Division at Kimble Glass Corporation. From 1979 to 2000, he held progressively increasing leadership responsibilities at Corning Incorporated ("Corning") in manufacturing, engineering, commercial, and general management positions. At Corning, Mr. Dunham delivered results in various glass and ceramics businesses including optics and photonics businesses. Mr. Dunham earned a Bachelor of Science degree in Mechanical Engineering and a Master's degree in Business Administration from Cornell University. Mr. Dunham's expertise in executive leadership, financial, strategic planning, operations and management, business acumen, optics/photonics market knowledge, and knowledge of the acquisitions process, qualifies him for service as one of our directors.

Executive Officers Who Do Not Serve as Directors

Donald O. Retreage, Jr., 64 Chief Financial Officer	Mr. Retreage was appointed chief Financial Officer on June 18, 2018. He most recently served as Senior Vice President of Houser Logistics from April 2017 to June 2018, where he was responsible for aligning strategic initiatives with corporate targets for customer service, revenue, and cost control. Prior to that, during a portion of 2017, Mr. Retreage was a Financial Specialist at Robert Half / Accountemps, and from October 2016 to January 2017, Mr. Retreage served as a Senior Business Consultant for International Services Inc., during which he worked with business owners to develop management processes, practices, and policies to drive profitability and grow businesses. From 2008 to 2015, Mr. Retreage served as Deputy Managing Director & Financial Director at Seaboard Management Corporation, a division of Seaboard Corporation. He received a Bachelor of Science in Business Administration, Accounting and Finance from University of Louisiana at Lafayette. Mr. Retreage is experienced in directing international business operations and aligning strategic initiatives with corporate targets for revenue, cost control, and employee development and engagement.
Dorothy Cipolla, 62 Vice President and Executive Director of Compliance, Treasury and Tax; Secretary and Treasurer	Ms. Cipolla was appointed as our Vice President and Executive Director of Compliance, Treasury and Tax in June 2018. She also serves as our Secretary and Treasurer since February 2006. Prior to June 2018, Ms. Cipolla served as our Chief Financial Officer from February 2006 until June 2018. Ms. Cipolla is also a director of LPOI, our wholly owned subsidiary, located in Jiading, People's Republic of China, LPOIZ, our wholly owned subsidiary, located in the New City District, of the Jiangsu province of the People's Republic of China, ISP, our wholly owned subsidiary located in Irvington, New York, and ISP Latvia, our wholly-owned subsidiary located in Riga, Latvia. From March 2004 to February 2006, Ms. Cipolla was the Chief Financial Officer and Secretary of LaserSight Technologies, Inc. ("LaserSight"). Prior to joining LaserSight, she served in various financial management positions. From 1994 to 1999, she was Chief Financial Officer and Treasurer of Network Six, Inc., a NASDAQ-listed professional services firm. From 1999 to 2002, Ms. Cipolla was Vice President of Finance with Goliath Networks, Inc., a privately held network consulting company. From 2002 to 2003, Ms. Cipolla was Department Controller of Alliant Energy Corporation, a regulated utility. She received a Bachelor of Science degree in Accounting from Northeastern University and is a Certified Public Accountant in Massachusetts.
Alan Symmons, 46 Executive Vice President of Operations	Mr. Symmons has served as our Executive Vice President of Operations since January 2015. Previously, Mr. Symmons served as our Vice President of Corporate Engineering beginning in August 2010 until January 2015 and our Director of Engineering from December 2008 to August 2010. Prior to that, Mr. Symmons served as our Opto-Mechanical Manager from October 2006 to December 2008. Prior to joining us, Mr. Symmons was Engineering Manager for Aurora Optical, a subsidiary of Multi-Fineline Electronix ("MFLEX"), dedicated to the manufacture of cell phone camera modules. From 2000 to 2006, Mr. Symmons worked for Applied Image Group – Optics ("AIG/O"), a recognized leader in precision injection molded plastic optical components and assemblies, working up to Engineering Manager. AIG/O was purchased by MFLEX in 2006. Prior to 2000, Mr. Symmons held engineering positions at Ryobi N.A., SatCon Technologies, and General Dynamics. Mr. Symmons has a Bachelor of Science degree in Mechanical Engineering from Rensselaer Polytechnic Institute and a Master's degree in Business Administration from the Eller School of Management at the University of Arizona.

CORPORATE GOVERNANCE

Meetings of the Board and its Committees

The Board has an Audit Committee, a Compensation Committee, Nominating and Corporate Governance Committee, and a Finance Committee. The entire Board met five times, including telephonic meetings, during fiscal 2018. Five directors attended 100% of the Board meetings and the other two directors attended 80% of the Board meetings. Directors attended 100% of the meetings held by committees of the Board on which they served. All of the then elected directors attended the fiscal 2018 Annual Meeting of Stockholders on October 26, 2017.

It is our policy that all of our directors are required to make a concerted and conscientious effort to attend our annual stockholders' meeting in each year during which that director serves as a member of the Board.

Audit Committee. The Audit Committee, which consists of Dr. Steven Brueck, M. Scott Faris, Craig Dunham, and Louis Leeburg (Chairman), met seven times during fiscal 2018. The meetings included discussions with management and with our independent registered public accounting firm to discuss our interim and annual financial statements and our annual report, and the effectiveness of our financial and accounting functions and organization.

The Audit Committee acts pursuant to a written charter adopted by the Board, a copy of which is available on our website at www.lightpath.com under the "Investor" tab. The Audit Committee's responsibilities include, among others, engaging and terminating our independent registered public accounting firm, oversight of the independent registered public accounting firm, and determining the compensation for their engagement(s). The Board has determined that the Audit Committee is comprised entirely of independent members as defined under applicable listing standards set out by the SEC and The NASDAQ Capital Market (the "NCM"). The Board has also determined that three members of the Audit Committee, Mr. Leeburg, Mr. Faris, and Mr. Dunham, are "audit committee financial experts" as defined by SEC rules and qualify as independent in accordance with the NCM rules. Mr. Leesburg's, Mr. Faris', and Mr. Dunham's respective business experience that qualifies each director to be determined as "audit committee financial expert" is described above.

Compensation Committee. The Compensation Committee, which consisted of Sohail Khan, Robert Ripp (Chairman), and Louis Leeburg, met twice during fiscal 2018. The Compensation Committee acts pursuant to a written charter adopted by the Board, a copy of which is available on our website at www.lightpath.com under the "Investor" tab.

The Compensation Committee is responsible for establishing, implementing, and continually monitoring our compensation policies and philosophy, including administering our Amended and Restated Omnibus Incentive Plan, pursuant to which incentive awards, including stock options, are granted to our directors, executive officers, and key employees. The Compensation Committee is responsible for determining executive compensation, including approving recommendations regarding equity awards to all of our executive officers. However, the Compensation Committee does rely on the annual reviews made by the Chief Executive Officer with respect to the performance of each of our other executive officers. The conclusions reached and recommendations based on these reviews, including with respect to salary adjustments and annual award amounts, are presented to the Compensation Committee. The Compensation Committee can exercise its discretion in modifying any recommended adjustments or awards to executive officers. In the case of the Chief Executive Officer, compensation is determined solely based on the review conducted by the Compensation Committee.

The Compensation Committee also annually reviews director compensation to ensure non-employee directors are adequately compensated for the time expended in fulfilling their duties to us, as well as the skill-level required by us of members of the Board. After the Compensation Committee completes their annual review, they make recommendations to the Board regarding director compensation.

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In fiscal 2017, the Compensation Committee retained Meridian Consulting Partners, LLC (the “Consultant”), as a compensation consultant, to assist with the Compensation Committee’s responsibilities related to our executive compensation program and the director compensation program. The Consultant’s engagement by the Compensation Committee included reviewing and recommending the structure of our compensation program and advising on all significant aspects of executive compensation, including base salaries, annual incentives, and long-term equity incentives for our named executive officers, as well as director compensation. At the request of the Compensation Committee, the Consultant collected relevant market data to allow the Compensation Committee to compare components of our compensation program to those of our peers, provided information on executive compensation trends and implications, and made other recommendations to the Compensation Committee regarding our executive and director compensation programs. In determining the form and amount of compensation to be paid to the named executive officers for fiscal 2018, the Compensation Committee considered the information gathered by and recommended by the Consultant. The Compensation Committee evaluated the independence of the Consultant at the time of engagement and determined that the Consultant was independent pursuant to the factors set forth in Section 10C-1 of the Securities Exchange Act, as amended. The Compensation Committee plans to engage the Consultant every two years to review and make recommendations on the Company’s executive compensation plans. No services were provided by the Consultant during fiscal 2018.

Finance Committee. The Finance Committee, which consists of Sohail Khan (Chairman) Robert Ripp, and M. Scott Faris, met three times during fiscal 2018. The Finance Committee acts pursuant to a written charter adopted by the Board, a copy of which is available on our website at www.lightpath.com under the “Investor” tab. The Finance Committee oversees our financial management, including overseeing our strategic and transactional planning and activities, global financing, capital structure objectives and plans, insurance programs, tax structure, and investment program and policies.

Nominating and Corporate Governance Committee. The Nominating and Corporate Governance Committee, which consists of Robert Ripp (Chairman), Sohail Khan and Louis Leeburg, met once during fiscal 2018. The Nominating and Corporate Governance Committee acts pursuant to a written charter adopted by the Board, a copy of which is available on our website at www.lightpath.com under the “Investor” tab. The Nominating and Corporate Governance carries out the responsibilities delegated by the Board relating to our director nominations process and procedures, and developing, maintaining, and monitoring compliance with the Company’s corporate governance policies, guidelines, and activities.

All current committee members are expected to be reappointed to the same committees at the Board meeting to be held immediately following the Annual Meeting.

Nominations Process and Criteria

The Nominating and Corporate Governance Committee determines the qualifications, qualities, skills, and other expertise required to be a director and to develop, and recommend to the Board for its approval, criteria to be considered in selecting nominees for director. The Committee and the Board believe that at this time, it is unnecessary to adopt criteria for the selection of directors. Instead, the Committee and the Board believes that the desirable background of a new individual member of the Board may change over time and that a thoughtful, thorough selection process is more important than adopting criteria for directors.

They will also identify, recruit, and screen candidates for the Board, consistent with criteria approved by the Board. The Committee and Board is fully open to utilizing whatever methodology is efficient in identifying new, qualified directors when needed, including industry contacts of our directors or professional search firms. The Committee also considers any director candidates recommended by our stockholders pursuant to the procedures described in this Proxy Statement and any nominations of director candidates validly made by stockholders in accordance with applicable laws, rules, and regulations, and the provisions of our charter documents.

There were no fees paid or due to third parties in fiscal 2018 to identify or evaluate, or to assist in evaluating or identifying, potential director nominees.

Any stockholder wishing to propose that a person be nominated for or appointed to the Board may submit such a proposal, according to the procedure described in the stockholder proposal section on page 7 of this Proxy Statement, to:

Corporate Secretary
LightPath Technologies, Inc.
2603 Challenger Tech Court, Suite 100
Orlando, Florida 32826

The Corporate Secretary will promptly forward any such correspondence to the Chairman of the Nominating and Corporate Governance Committee for review and consideration by the Nominating and Corporate Governance Committee in accordance with the criteria described above.

Director Independence

In accordance with NCM and SEC rules, the Board affirmatively determines the independence of each director and director nominee in accordance with guidelines it has adopted, which include all elements of independence set forth in the NCM listing standards. Based on these standards, the Board has determined that each of the following non-employee directors serving during fiscal 2018 is independent and has no relationship with us, except as one of our directors and stockholders.

Robert Ripp	Sohail Khan
Steven Brueck	Louis Leeburg
M. Scott Faris	Craig Dunham

All of the members of the Audit, Finance, Nominating and Corporate Governance, and Compensation Committees are also independent.

The Board approved an Amended and Restated Code of Business Conduct and Ethics (the "Code") on April 28, 2016. The Code applies to all of our employees, officers, and directors, including our principal executive officers, principal financial officers, and principal accounting officer or controller, or persons performing similar functions. The Board also approved an Amended and Restated Code of Business Conduct and Ethics for Senior Financial Officers (the "Senior Financial Officer Code"), which applies to our Chief Executive Officer, Chief Financial Officer, principal accounting officer, controller, accounting manager, and persons performing similar functions. Copies of the Code and the Senior Financial Officer Code are available on our website at www.lightpath.com, under the "Investor" tab, or may be obtained free of charge by writing to: Corporate Secretary, LightPath Technologies, Inc., 2603 Challenger Tech Court, Suite 100, Orlando, Florida 32826.

Related Party Transactions

When we are contemplating entering into any transaction in which any executive officer, director, director nominee, or any family member of the foregoing would have any direct or indirect interest, regardless of the amount involved, the terms of such transaction have to be presented to the Audit Committee (other than any interested director) for approval or disapproval. Neither the Audit Committee nor the Board have adopted a written policy for reviewing related party transactions but when presented with such transaction, the transaction is discussed by the Audit Committee and documented in its meeting minutes.

Our Code also requires our employees, officers, and directors to provide prompt and full disclosure of all potential conflicts of interest to the appropriate person. These conflicts of interest may be specific to the individual or may extend to his or her family members. Any officer who has a conflict of interest with respect to any matter is required to disclose the matter to our Chief Executive Officer or, in the case of the Chief Executive Officer, to the Chairman of the Audit Committee. All other employees are required to make prompt and full disclosure of any conflict of interest to his or her immediate supervisor, who will then make prompt and full disclosure to our Chief Executive Officer. Directors are required to disclose any conflict of interests to the Chairman of the Audit Committee and are prohibited from voting on any matter(s) in which they have a conflict of interest. In addition, directors and executive officers are required to disclose in an annual questionnaire, any current or proposed conflict of interests (including related party transactions).

From the period beginning July 1, 2017 and ending October 1, 2018, there were no current or proposed related party transactions.

Board of Directors Leadership Structure and Role in Risk Oversight

Board Leadership Structure

Our Board has chosen to separate the positions of Chairman and Chief Executive Officer, with Mr. Robert Ripp serving as Chairman and Mr. J. James Gaynor serving as President and Chief Executive Officer. As President and Chief Executive Officer, Mr. Gaynor is responsible for our day-to-day leadership and performance, with the Board being responsible for setting our strategic direction, as well as overseeing and advising our management. The Board believes that the current independent leadership of the Board by our non-executive Chairman enhances the effectiveness of its oversight of management and provides a perspective that is separate and distinct from that of management.

Role of the Board in Risk Oversight

Our Board is responsible for the oversight of our operational risk management process. Our Board has delegated authority for addressing certain risks, and accessing the steps management has taken to monitor, control, and report such risks, to our Audit and Finance Committees. Such risks include risks relating to execution of our growth strategy, the effects of the contracting in the global economy and general financial condition and outlook on customer purchases, component inventory supply, or ability to expand our partner network, communication with investors, certain actions of our competitors, the protection of our intellectual property, sufficiency of our capital, inventory investment and risk of obsolescence, security of information systems and data, integration of new information systems, credit risk, product liability, and costs of reliance on external advisors. The Audit or Finance Committee, as applicable, then reports such risks as appropriate to the Board. The Board initiates discussions with appropriate members of our senior management if, after discussion of such risks, the Board determines that such risks raise questions or concerns about the status of operational risks then facing us.

Our Board relies on our Compensation Committee to address significant risk exposures we face with respect to compensation, including risks relating to retention of key employees, protection of partner relationships, management succession, and benefit costs, and, when appropriate, reports these risks to the full Board.

Stockholder Communications with the Board

Stockholders and other parties interested in communicating directly with the Board, a committee of the Board, or any individual director, may do so by sending a written communication to the attention of the intended recipient(s) in care of the Corporate Secretary, LightPath Technologies, Inc., 2603 Challenger Tech Court, Suite 100, Orlando, Florida USA 32826. The Corporate Secretary will forward all appropriate communications to the Chairman of the Audit Committee.

SECURITY OWNERSHIP OF
CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth, as of September 17, 2018, the number and percentage of outstanding shares of our Class A common stock, owned by: (i) each of our directors (which includes all nominees), (ii) each of the named executive officers, (iii) our directors and named executive officers as a group, and (iv) each person known by us to be the beneficial owner of more than 5% of our outstanding Class A common stock. The number of shares of Class A common stock outstanding as of September 17, 2018 was 25,773,605.

The number of shares beneficially owned by each director, named executive officer, and greater than 5% beneficial owner is determined under SEC rules, and the information is not necessarily indicative of the beneficial ownership for any other purpose. Under such rules, beneficial ownership includes any shares to which the individual has the sole or shared voting power or investment power and also any shares which the individual has the right to acquire within 60 days of September 17, 2018, through the exercise of any stock option or other right to purchase, such as a warrant. Unless otherwise indicated, each person has sole investment and voting power (or shares such power with his or her spouse) with respect to the shares set forth in the following table. In certain instances, the number of shares listed may include, in addition to shares owned directly, shares held by the spouse or children of the person, or by a trust or estate of which the person is a trustee or an executor or in which the person may have a beneficial interest. The table that follows is based upon information supplied in a questionnaire completed by each named executive officer and director and stockholders beneficially owning greater than 5% of our Class A common stock.

Name and Address (1)(10)	Securities Class A Common Stock Restricted (2)	Unrestricted	Options	Amount of Shares of Class A Common Stock Beneficially Owned		Percent Owned (%)
Robert Ripp, Director	316,167	723,751	—	1,039,918	(3)	4.0%
Louis Leeburg, Director	316,167	92,691	—	408,858	(4)	1.6%
Sohail Khan, Director	317,367	20,661	—	338,028		1.3%
Dr. Steven Brueck, Director	316,167	70,870	—	387,037	(5)	1.5%
M. Scott Faris, Director	215,467	—	—	215,467		*
Craig Dunham, Director	125,007	33,000	—	158,007		*
J. James Gaynor, President, CEO & Director	25,354	172,147	464,948	662,449	(6)	2.5%
Dorothy Cipolla, VP & Executive Director, Secretary & Treasurer	8,602	23,925	164,340	196,867	(7)	*
Alan Symmons, Executive Vice President of Operations	9,055	14,636	175,884	199,575	(8)	*
All directors and named executive officers currently holding office as a group (9 persons)	1,649,353	1,151,681	805,172	3,606,206		12.8%
Wellington Trust Company	—	2,136,825	—	2,136,825		8.3%
Pudong Science and Technology Investment (Cayman) Co., Ltd.	—	2,270,026	—	2,270,026	(9)	8.8%

*Less than 1%

Notes:
(1)
Except as otherwise noted, each of the parties listed above has sole voting and investment power over the securities listed. The address for all directors and officers is "in care of" LightPath Technologies, Inc., 2603 Challenger Tech Court, Suite 100, Orlando, Florida 32826. The address for Pudong Science and Technology (Cayman) Co. Ltd., as filed on a Schedule 13G filed on August 15, 2013, is 13 Building, No. 439, Chunxiao Rd., Zhangjiang High-tech Park, Pudong, Shanghai 201203, People's Republic of China. The address for Wellington Trust Company, as filed on a Schedule 13G filed on February 8, 2018, is 280 Congress Street, Boston, Massachusetts 02210.

(2)
Restricted stock units awarded to our directors vest over three years. All directors have elected to defer receipt of the vested shares until after they leave the Board, either by reason of resignation, termination, or otherwise. Therefore, these vested shares remain unissued. All of the director’s unvested restricted stock units will vest upon such director’s resignation or termination from the Board. The amounts of restricted stock set forth above reflects both vested and unvested shares included in the restricted stock unit awards. The amounts of vested shares for each director, other than Mr. Gaynor, are as follows: Mr. Ripp – 263,005, Mr. Leeburg – 263,005, Mr. Khan – 264,205, Dr. Brueck – 263,005, Mr. Faris – 162,305, and Mr. Dunham – 71,845.

(3)
Does not include 7,812 shares of Class A common stock, which are owned by trusts for Mr. Ripp's adult children and for which he disclaims beneficial ownership.

(4)
Includes 92,691 shares of Class A common stock, which are held jointly with his wife and for which he shares voting and investment power.

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(5)
Includes 70,870 shares of Class A common stock held by a family trust for which he shares voting and investment power.
(6)
Includes 464,948 shares of Class A common stock with respect to which Mr. Gaynor has the right to acquire. Mr. Gaynor holds options that are currently exercisable for an aggregate of 464,948 shares of Class A common stock. This amount does not include 55,381 shares of Class A common stock underlying options that remain unvested.
(7)
Includes 164,340 shares of Class A common stock with respect to which Ms. Cipolla has the right to acquire. Specifically, Ms. Cipolla holds options that are currently exercisable for an aggregate of 164,340 shares of Class A common stock. This amount does not include 19,089 shares of Class A common stock underlying options that remain unvested.
(8)
Includes 175,884 shares of Class A common stock with respect to which Mr. Symmons has the right to acquire. Mr. Symmons holds options that are currently exercisable for an aggregate of 175,884 shares of Class A common stock. This amount does not include 20,725 shares of Class A common stock underlying options that remain unvested.
(9)
Pudong Science and Technology Investment (Cayman) Co., Ltd. is wholly owned by Shanghai Pudong Science and Technology Investment Co., Ltd., and for purposes hereof is also deemed as a beneficial owner of the shares.
(10)
Mr. Donald Retreage, Jr. was appointed Chief Financial Officer on June 18, 2018. He was not considered a named executive officer for fiscal 2018; thus, he is not included in the table above.

Change-in-Control Arrangements

We do not know of any arrangements, which may, at a subsequent date, result in a change in control.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act, requires that our directors and executive officers, and persons who beneficially own more than 10% of our common stock (referred to herein as the “Reporting Persons”) file with the SEC various reports as to their ownership of and activities relating to our Class A common stock. To the best of our knowledge, all Reporting Persons complied on a timely basis with all filing requirements applicable to them with respect to transactions during our most recent fiscal year. In making these statements, we have relied solely on our review of copies of the reports furnished to us, representations that no other reports were required, and other knowledge relating to transactions involving the Reporting Persons.

EXECUTIVE COMPENSATION

Compensation Philosophy and Objectives

Our compensation policy is designed to attract and retain qualified key executive officers critical to our achievement of reaching and maintaining profitability and positive cash flow, and subsequently our growth and long-term success. To attract, retain, and motivate the executives officers required to accomplish our business strategy, the Compensation Committee establishes our executive compensation policies and oversees our executive compensation practices.

The Compensation Committee believes that the most effective executive compensation program is one that is designed to recognize the achievement of our specific short-term and long-term goals, and which aligns executives' interests with those of the stockholders by rewarding performance that meets or exceeds established goals, with the ultimate objective of improving stockholder value.

It is the objective of the Compensation Committee to have a portion of each named executive officer's compensation contingent upon our performance as well as upon the individual's personal performance. Accordingly, each named executive officer's compensation package is comprised of two elements: (i) base salary, which reflects individual performance and expertise and (ii) short-term and long-term incentive awards, which are tied to the achievement of certain performance goals that the Compensation Committee establishes from time to time. The Compensation Committee has structured compensation of our named executive officers to incentivize achievement of our business goals and reward our named executive officers for achieving such goals.

The Compensation Committee also evaluates our compensation program to ensure that we maintain the ability to attract and retain superior employees in key positions and that compensation provided to key employees remains competitive relative to the compensation paid to similarly situated executive officers.

In accordance with the advisory "say-on-frequency" vote of our stockholders at the fiscal 2018 annual meeting of stockholders, held in October 2017, and as approved by the Board, we will include an annual advisory "say-on-pay" vote in our proxy statement, including this Proxy Statement for the fiscal 2019 Annual Meeting. Our next required stockholder advisory "say-on-frequency" vote will occur at our fiscal 2023 annual stockholders' meeting. The most recent "say-on-pay" advisory vote occurred at the fiscal 2018 annual meeting, at which our stockholders approved, on an advisory basis, the compensation of our named executive officers.

Setting Executive Compensation

In making compensation decisions, the Compensation Committee relies on the following:

the annual reviews made by the Chief Executive Officer with respect to the performance of each of our other named executive officers;

the annual review conducted by the Compensation Committee with respect to the performance of the Chief Executive Officer;

compensation paid to executive officers of other manufacturing companies similar in size and scope as us and our competitors; and our annual performance with respect to our short-term and long-term strategic plan.

There is no pre-established policy or target for the allocation between either cash and non-cash or short-term and long-term incentive compensation. Rather, the Compensation Committee annually reviews information to determine the appropriate level and mix of incentive compensation when determining our executive compensation plan. Based on these factors, the Compensation Committee makes compensation decisions, including salary adjustments, annual short-term cash incentive awards, and long-term equity incentive awards for our named executive officers.

Retirement Benefits

We offer a qualified 401(k) defined contribution plan. The ability of named executive officers to participate fully in this plan is limited under the requirements of the Internal Revenue Code of 1986, as amended, and Employment Retirement Income Security Act of 1974, as amended. The Company currently matches 100% of the first 2% of employee contributions.

Executive Compensation and Risk

Although a substantial portion of the compensation paid to our named executive officers is performance-based, we believe our executive compensation programs do not encourage excessive and unnecessary risk-taking by our named executive officers because these programs are designed to encourage our named executive officers to remain focused on both our short-term and long-term operation and financial goals. We achieve this balance through a combination of elements in our overall compensation plans, including: (i) elements that reward different aspects of short-term and long-term performance; (ii) incentive compensation that rewards performance on a variety of different measures; and (iii) cash awards and stock option awards, to encourage alignment with the interests of stockholders.

Executive Officer Stock Ownership Requirements

Effective as of January 1, 2016, our Board established certain guidelines requiring that each of our executive officers acquire and maintain a minimum level of ownership of our securities during the period in which he or she is an executive officer. The Board modified the minimum level of ownership in fiscal 2018. As modified, the guidelines set the target ownership level at five times the annual base cash compensation for our Chief Executive Officer and three times the annual base cash compensation for each of our other executive officers, as measured at fiscal year-end. The Board reviews the target ownership levels on an annual basis to determine whether such target ownership levels should be increased.

For purposes of determining ownership levels, all forms of equity and derivative securities, including stock, stock options, restricted stock, and restricted stock units, count towards satisfaction of the ownership guidelines; however, with respect to any stock option award, only the number of shares equal to (i) the difference between the closing price of the Class A common stock as reported on the NCM at the end of the fiscal year and the exercise price of the stock option multiplied by (ii) the number of shares underlying the stock option, then (iii) divided by the closing price of the Class A common stock as reported on the NCM at the end of the fiscal year, are included for purposes of determining whether the stock ownership target is met. For example, if an officer is awarded a stock option of 100 shares of Class A common stock, with an exercise price of $1.00 per share, and the closing price of the Class A common stock as reported on the NCM on June 30, 2018 is $2.00, the number of shares of Class A common stock included from such stock option award for purposes of meeting the stock ownership target is 50 shares.

The Board may grant waivers of the guidelines in the event of financial hardship or other good cause. Once an executive officer attains his or her required stock ownership level, he or she will remain in compliance with the guidelines despite future changes in the stock price and base salary, as long as the executive officer’s holdings do not decline below the number of shares owned at the time the required stock ownership level was met. Each executive officer will have until December 31, 2021, or five years after his or her date of becoming an executive officer, whichever is later, to meet the required ownership level.

As of June 30, 2018, Mr. Gaynor’s level of ownership was 1.91 times his base salary; thus has not yet met his target of 5.00. As of June 30, 2018, Ms. Cipolla’s level of ownership was 0.86 times her base salary, thus has not yet met her target of 3.00. As of June 30, 2018, Mr. Symmons’ level of ownership was 0.78 times his base salary; thus has not yet met his target of 3.00.

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Name	Class A common stock	Options	Total Amount of Shares of Class A Common Stock Beneficially Owned	Stock Price at June 30, 2018	Market Value at June 30, 2018	Base Salary	% of Salary
J. James Gaynor	87,709	174,257	261,966	$2.30	$602,522	$315,000	191%
Dorothy Cipolla	22,884	51,817	74,701	$2.30	$171,812	$200,000	86%
Alan Symmons	13,458	57,512	70,970	$2.30	$163,231	$210,000	78%

2018 Incentive Program

Our fiscal 2018 incentive program has two key components: (i) the Short-Term Incentive ("STI") program, and (ii) the Long-Term Incentive ("LTI") program. The STI program is comprised of awards based on our achievement of specific fiscal year financial objectives (the "STI Award"), which were set prior to the beginning of fiscal 2018. The LTI program is comprised of (i) a discretionary stock option award, based on achievement of subjective larger corporate goals evaluated over a one-year performance period (the "LTI Annual Award"), which goals were set prior to the beginning of fiscal 2018 and (ii) an equity award based on the achievement of pre-established financial performance metrics evaluated over a three-year performance period (the "LTI Multi-Year Award" and, together with the LTI Annual Award, the "LTI Awards"), which metrics were set prior to the beginning of fiscal 2018.

Our incentive program includes different levels of bonus opportunity based on a participant's position with the Company. For fiscal 2018, Mr. Gaynor was the only "level one" participant and Ms. Cipolla and Mr. Symmons were the only "level two" participants. Bonus opportunities for level one and level two participants for fiscal 2018 were calculated by applying designated portions of their respective bonus pool amounts, which were set by the Compensation Committee, to formulas for each of the components of the STI and LTI programs.

For fiscal 2018, (i) Mr. Gaynor's bonus pool amount for the STI Award was set at $215,000 and his bonus pool amount for the LTI Awards was set at $125,000; (ii) Ms. Cipolla's bonus pool amount for the STI Award was set at $80,000 and her bonus pool amount for the LTI Awards was set at $50,000; and (ii) Mr. Symmon's bonus pool amount for the STI Award was set at $85,000 and his bonus pool amount for the LTI Awards was set at $50,000.

STI Program

In order to determine a participant's STI Award, the portion of such participant's bonus pool amount applicable to the STI Award calculation ($215,000 in the case of Mr. Gaynor, $80,000 in the case of Ms. Cipolla, and $85,000 in the case of Mr. Symmons), was multiplied by approximately 33.3% and the product was used as a baseline for determining the bonus for each component of the STI Award ("STI Baseline"). The STI Baseline for each of the components was $71,595, $26,640, and $28,305 for Mr. Gaynor, Ms. Cipolla, and Mr. Symmons, respectively.

Our fiscal 2018 financial objectives upon which the STI Award was based were as follows: (i) revenue growth over that of the prior fiscal year (the "Revenue Component"); (ii) adjusted EBITDA growth (which is earnings before income, taxes, depreciation, and amortization, as adjusted to exclude the effect of the non-cash income or expense associated with the mark-to-market adjustments related to our June 2012 warrants) (the "Adjusted EBITDA Component"); and (iii) return on assets (adjusted to exclude the effect of goodwill and the non-cash income or expense associated with the mark-to-market adjustments to our June 2012 warrants) (the "ROA Component"). Each component of the STI Award is evaluated independently of the other components, and the LTI Awards are evaluated independently of the STI Award.

The Compensation Committee determined that achievement of the STI Award would be paid 50% in cash and 50% in restricted stock units; however, the Compensation Committee retained the discretion to adjust the allocation of the STI Award between cash and restricted stock units prior to payment. As discussed below, since we did not achieve any of the components of the STI Award in fiscal 2018, none of the participants earned the STI Award.

Revenue Component

The Revenue Component was based on our achievement of year-over-year revenue growth of at least 12% in fiscal 2018. The Compensation Committee determined that, for purposes of the year-over-year comparison, revenue for fiscal 2017 would be adjusted to include revenues generated by ISP as if the acquisition occurred on July 1, 2016, instead of December 21, 2016, resulting in the inclusion of revenues generated by ISP, on a pro forma basis, for the entire fiscal year 2017. If we achieved or exceeded the target of 12% of year-over-year growth in fiscal 2018, our participants would be entitled to a bonus award under the Revenue Component equal to such participant’s STI Baseline multiplied by the sum of (i) 100% plus (ii) the sum of the actual year-over-year growth in total revenues less the target of 12%.

Without the pro forma adjustment to revenue in fiscal 2017, our revenue in fiscal 2018 increased by 15%, as compared to fiscal 2017. However, with the pro forma adjustment to revenue in fiscal 2017 (to include ISP's revenue, on a pro forma basis, for the entire fiscal year 2017), we had no year-over-year revenue growth, compared to the fiscal 2017. Accordingly, the target was not met and the participants did not earn the Revenue Component of the STI Award.

Adjusted EBITDA Component

In order for our participants to earn a bonus with respect to the Adjusted EBITDA Component, we had to meet or exceed a minimum adjusted EBITDA margin target established by the Compensation Committee for fiscal 2018. The adjusted EBITDA margin was calculated by dividing the fiscal 2018 adjusted EBITDA by the fiscal 2018 revenues and the target was set at 28% for fiscal 2018. If our adjusted EBITDA margin for fiscal 2018 equaled or exceeded the target, then each participant would earn a bonus equal to such participant’s STI Baseline multiplied by the sum of (i) 100% plus (ii) the percentage that adjusted EBITDA for fiscal 2018 exceeded adjusted EBITDA for fiscal 2017, up to a maximum growth rate of 50%. If we did not achieve at least the adjusted EBITDA margin target, or there was no growth year-over-year in adjusted EBITDA, our participants would not earn a bonus with respect to the Adjusted EBITDA Component.

We did not meet the adjusted EBITDA margin target for fiscal 2018. Accordingly, the participants did not earn the Adjusted EBITDA Component of the STI Award.

ROA Component

The ROA Component was based on achieving a return on assets target of at least 16% for fiscal 2018. If the return on assets for fiscal 2018 equaled or exceeded the target, then the participants would be entitled to a bonus award under the ROA Component equal to such participant’s STI Baseline multiplied by 100%. For fiscal 2018, the actual return on assets equaled 2%, which did not meet the target. Accordingly, the participants did not earn the ROA Component of the STI Award.

The following table sets forth (i) each participant's STI Award bonus pool amount for fiscal 2018, (ii) the STI Baseline dollar amount, used in the calculation of the STI Award bonus, and (iii) the amount earned for each component of the STI Award:

			Bonus Award Earned		
Participant	Total 2018 STI Award Bonus Pool ($)	Baseline for Each Component of STI Award ($)	Revenue ($)	Adjusted EBITDA ($)	ROA ($)
J. James Gaynor	215,000	71,595	0	0	0
Dorothy Cipolla	80,000	26,640	0	0	0
Alan Symmons	85,000	28,305	0	0	0

LTI Program

The LTI Awards are comprised of two components: (i) the LTI Annual Award and (ii) the LTI Multi-Year Award.

LTI Annual Award

The LTI Annual Award is a discretionary award made by our Compensation Committee that was based on the achievement of certain corporate goals set by the Compensation Committee for fiscal 2018. In order to determine a participant's LTI Annual Award bonus opportunity, the portion of such participant's bonus pool amount applicable to the LTI Awards calculation ($125,000 in the case of Mr. Gaynor, $50,000 in the case of Ms. Cipolla, and $50,000 in the case of Mr. Symmons), was multiplied by 40%. Thus, the bonus opportunity for the LTI Annual Award was $50,000, $20,000, and $20,000 for Mr. Gaynor, Ms. Cipolla, and Mr. Symmons, respectively. Participants can earn any portion of the bonus opportunity for the LTI Annual Award. The Compensation Committee determined that if earned, the LTI Annual Award would be paid as a stock option, with one-third of the stock option vesting on each of the first, second, and third anniversaries of the grant date.

For fiscal 2018, the corporate goals were: (i) complete the full integration of ISP and meet the planned ISP revenue goal for fiscal 2018, (ii) fully deploy the Visual ERP system to include ISP Latvia's facility in Riga, Latvia, (iii) implement capacity increases at LPOIZ's facility in Zhenjiang China and ISP Latvia's facility in Riga, Latvia to support planned infrared growth, including increasing coating capacity for germanium at LPOIZ's facility, fully qualifying our new BD6 germanium-free coating, expanding our diamond turning capacity, and improving our diamond turning productivity at ISP Latvia's facility, and (iv) ensure tooling manufacturing in Orlando is increased to meet growing demand particularly for infrared products.

At the end of fiscal 2018, our Chief Executive Officer provided an executive summary to the Compensation Committee, which summarized our achievements with respect to the corporate goals. The Compensation Committee determined whether the corporate goals were met and whether LTI Annual Awards would be made.

After reviewing our Chief Executive Officer's executive summary, the Compensation Committee determined that each participant partially met the corporate goals established for the LTI Annual Award. Accordingly, the Compensation Committee granted a stock option award with a value of $7,500, $3,000, and $3,000 for Mr. Gaynor, Ms. Cipolla, and

Mr. Symmons, respectively. The stock option awards will have an exercise price equal to 115% of the then-current market price at the date of issuance, which is currently expected to be in November 2018. The stock option awards will be subject to a three-year vesting period.

LTI Multi-Year Award

The LTI Multi-Year Award is an equity award based on the achievement of pre-established financial performance metrics over a three-year performance period. In order to determine a participant's LTI Multi-Year Award bonus opportunity, the portion of such participant's bonus pool amount applicable to the LTI Awards calculation ($125,000 in the case of Mr. Gaynor, $50,000 in the case of Ms. Cipolla, and $50,000 in the case of Mr. Symmons), was multiplied by 60%. Thus, the bonus opportunity for the LTI Multi-Year Award was $75,000, $30,000, and $30,000 for Mr. Gaynor, Ms. Cipolla, and Mr. Symmons, respectively.

The performance metrics upon which the LTI Multi-Year Award was based are as follows: (i) revenue (the "LT Revenue Component"); (ii) book value per share of Class A common stock (the "LT Book Value Component"); and (iii) adjusted EBITDA margin (the "LT EBITDA Component"). The Compensation Committee set a target for each component for each year during the three-year period (July 1, 2017 through June 30, 2020). Each performance component was valued at "one point" for each year during the three-year period. For each performance component for which the target is achieved, the participants each earn "one point." Thus, the LT Revenue Component is worth one point per year during the three-year performance period, the LT Book Value Component is worth one point per year during the three-year performance period, and the LT EBITDA Component is worth one point per year during the three-year performance period.

The payout opportunity based on the number of total points earned during the three-year performance period is shown in the table below.

Number of Points Earned	Percentage of Payout of LTI Multi-Year Award
0-3	0%
4	50%
5	60%
6	75%
7	100%
8	110%
9	125%

Each component of the LTI Multi-Year Award is evaluated independently of the other components during each year of the performance. The Compensation Committee determined that if earned at the end of the three-year performance period, the LTI Multi-Year Award would be paid as restricted stock units.

LT Revenue Component – Fiscal 2018

The Compensation Committee set the LT Revenue Component for fiscal 2018 at $38.5 million, which represents year-over-year revenue growth of 12%,compared to fiscal 2017. The Compensation Committee determined that, for purposes of the year-over-year comparison, revenue for fiscal 2017 would be adjusted to include revenues generated by ISP as if the acquisition occurred on July 1, 2016, instead of December 21, 2016, resulting in the inclusion of revenues generated by ISP, on a pro forma basis, for the entire fiscal year 2017. Our total revenue for fiscal 2018 was less than the target; thus, the participants did not earn a point for the LT Revenue Component in fiscal 2018.

LT Book Value Component – Fiscal 2018

The Compensation Committee set the LT Book Value Component for fiscal 2018 at $1.20 book value per share of Class A common stock. Our book value per share of Class A common stock for fiscal 2018 was $1.37; thus, the participants each earned one point.

LT EBITDA Component – Fiscal 2018

The Compensation Committee set the LT EBITDA Component for fiscal 2018 at an adjusted EBITDA margin of 28%. Our adjusted EBITDA margin for fiscal 2018 was less than the target; thus, the participants did not earn a point for the LT EBITDA Component in fiscal 2018.

2017 Incentive Program

Our fiscal 2017 inventive bonus program was comprised of three types of awards: (i) awards based on the achievement of specific fiscal year financial objectives of the Company (the “Corporate Performance Award”); (ii) discretionary awards based on the achievement of subjective larger corporate goals (the “Discretionary Performance Award”); and (iii) awards based on the achievement of specific fiscal year financial objectives related to the acquisition of ISP (“ISP Award”). The Corporate Performance Award and Discretionary Performance Award were set prior to the beginning of fiscal 2017 and prior to the consummation of the ISP acquisition. Following the consummation of the ISP acquisition, the Compensation Committee determined that the Corporate Performance Award and Discretionary Performance Award should be based solely on the performance of our base business, excluding any financial results or corporate goals as a result of the ISP acquisition. Simultaneously, the Compensation Committee determined to set financial objectives related to the ISP Award.

Our incentive bonus program includes different levels of bonus opportunity based on a participant’s position with the Company. For fiscal 2017, Mr. Gaynor was the only “level one” participant and Ms. Cipolla and Mr. Symmons were the only “level two” participants. Bonus opportunities for level one and level two participants for fiscal 2017 were calculated by applying designated portions of their respective bonus pool amounts, which were set by the Compensation Committee, to formulas for the Discretionary Performance Award and each of the four components of the Corporate Performance Award.

For fiscal 2017, 75% of Mr. Gaynor’s bonus pool amount was used to calculate his Corporate Performance Award and 25% of his bonus pool amount was used to calculate his Discretionary Performance Award. For fiscal 2017, 37.5% of Ms. Cipolla’s and Mr. Symmons’ respective bonus pool amounts were used to calculate their respective Corporate Performance Awards and 12.5% of their respective bonus pool amounts were used to calculate their respective Discretionary Performance Awards. For fiscal 2017, the ISP Award was calculated based on a fixed dollar amount of $36,700 for Mr. Gaynor, $12,400 for Ms. Cipolla, and $13,000 for Mr. Symmons.

Corporate Performance Awards

In order to determine a participant’s Corporate Performance Award, the portion of such participant’s bonus pool amount applicable to the Corporate Performance Award calculation (75% in the case of Mr. Gaynor and 37.5% in the case of Ms. Cipolla and Mr. Symmons), was divided by four and the quotient was used as a baseline for determining the bonus for each component of the Corporate Performance Award (for each component, the “Corporate Baseline”). The Corporate Baseline was $55,125, $18,703, and $19,688 for Mr. Gaynor, Ms. Cipolla, and Mr. Symmons, respectively.

Our fiscal 2017 corporate financial objectives upon which the Corporate Performance Awards were based were as follows: (i) revenue growth over that of the prior fiscal year (the “2017 Revenue Component”); (ii) strategic revenue growth (which is based upon the revenues generated by certain product lines and customers specified by the Compensation Committee at the time that the incentive bonus program was established for fiscal 2017) over that of the prior fiscal year (the “2017 Strategic Revenue Component”); (iii) adjusted EBITDA (which is earnings before income, taxes, depreciation, and amortization, as adjusted to exclude the effect of the non-cash income or expense associated with the mark-to-market adjustments related to our June 2012 warrants) (the “2017 Adjusted EBITDA Component”); and (iv) return on assets (adjusted to exclude the effect of the non-cash income or expense associated with the mark-to-market adjustments to our June 2012 warrants) (the “2017 ROA Component”). The 2017 Revenue Component, 2017 Strategic Revenue Component, 2017 Adjusted EBITDA Component, and the 2017 ROA Component were based solely on the financial results of LightPath’s base business, and did not take into account any financial results generated by ISP’s business. Each component of the Corporate Performance Award was evaluated independently of the other components, and the Discretionary Performance Award was evaluated independently of the Corporate Performance Award.

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2017 Revenue Component

The 2017 Revenue Component was based on the Company achieving year-over-year revenue growth of at least 20.128% in fiscal 2017. If we achieved or exceeded the target of 20.128% of year-over-year growth in fiscal 2017, our participants would be entitled to a bonus award under the revenue component equal to such participant's Corporate Baseline multiplied by the sum of (i) 100% plus (ii) the sum of the actual year-over-year growth in total revenues less the target of 20.128%. If we did not achieve the target, our participants would be entitled to a bonus award under the 2017 Revenue Component equal to such officer's Corporate Baseline multiplied by the quotient of (i) the actual revenue growth percentage in fiscal 2017 divided by (ii) the target revenue growth percentage for fiscal 2017.

LightPath revenue in fiscal 2017 increased by 18% compared to fiscal 2016. Accordingly, under the formula used to calculate each participant's 2017 Revenue Component bonus (Corporate Baseline x 89.43%), Mr. Gaynor earned $49,297, Ms. Cipolla earned $16,726, and Mr. Symmons earned $17,606.

2017 Strategic Revenue Component

If the total LightPath strategic revenue in fiscal 2017 exceeded the total LightPath strategic revenue for fiscal 2016, our participants would be entitled to a bonus award under the 2017 Strategic Revenue Component equal to such participant's Corporate Baseline multiplied by the sum of (i) 100% plus (ii) the percentage that actual strategic revenue for fiscal 2017 exceeded the actual strategic revenue for fiscal 2016, up to a maximum growth rate of 50%. If we did not achieve at least the LightPath strategic revenue target, or if there was no growth year-over-year in strategic revenue, our participants would not earn a bonus with respect to the 2017 Strategic Revenue Component.

The total LightPath strategic revenue in fiscal 2017 was less than the total LightPath strategic revenue in fiscal 2016. Accordingly, the participants did not earn the 2017 Strategic Revenue Component bonus.

2017 Adjusted EBITDA Component

In order for our participants to earn a bonus with respect to the 2017 Adjusted EBITDA Component, we had to meet or exceed a minimum adjusted EBITDA margin target established by the Compensation Committee for fiscal 2017. The adjusted EBITDA margin was calculated by dividing the LightPath adjusted EBITDA for fiscal 2017 by the LightPath revenues for fiscal 2017 and the target was set at 20% for fiscal 2017. If our adjusted EBITDA margin for fiscal 2017 equaled or exceeded the target, then each participant earned a bonus equal to such participant's Corporate Baseline multiplied by the sum of (i) 100% plus (ii) the percentage that the LightPath adjusted EBITDA for fiscal 2017 exceeded the LightPath adjusted EBITDA for fiscal 2016, up to a maximum growth rate of 50%. If we did not achieve at least the LightPath adjusted EBITDA margin target, or if there was no growth year-over-year in adjusted EBITDA, our participants would not earn a bonus with respect to the 2017 Adjusted EBITDA Component.

The actual LightPath adjusted EBITDA margin for fiscal 2017 equaled 22%, which satisfied the adjusted EBITDA margin target requirement. For fiscal 2017, our adjusted EBITDA was 78% higher than that for fiscal 2016. Accordingly, under the formula used to calculate each participant's 2017 Adjusted EBITDA Component bonus (Corporate Baseline x 150%), Mr. Gaynor earned $82,688, Ms. Cipolla earned $28,055, and Mr. Symmons earned $29,532.

2017 ROA Component

The 2017 ROA Component was based on achieving a return on LightPath assets target of at least 16% for fiscal 2017. If the return on LightPath assets for fiscal 2017 equaled or exceeded the target, then the participants would be entitled to a bonus award under the 2017 ROA Component equal to such participant's Corporate Baseline multiplied by 100%.

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For fiscal 2017, the actual return on LightPath assets equaled 19%, which met the target. Accordingly, under the formula used to calculate each participant's 2017 ROA Component bonus (Corporate Baseline x 100%), Mr. Gaynor earned $55,125, Ms. Cipolla earned $18,703, and Mr. Symmons earned $19,688.

The following table sets forth (i) each participant's bonus pool amount for fiscal 2017, (ii) the percentage of bonus pool, and the corresponding Corporate Baseline dollar amount, used in the calculation of the Corporate Performance Award bonus, and (iii) the amount earned for each component of the Corporate Performance Award:

				Bonus Award Earned			
Participant	Total 2017 Bonus Pool ($)	Bonus Pool for Corporate Performance Award Calculation (%)	Baseline for Each Component of Corporate Performance Award ($)	Revenue ($)	Strategic Revenue ($)	Adjusted EBITDA ($)	ROA ($)
J. James Gaynor	294,000	75	55,125	49,297	0	82,688	55,125
Dorothy Cipolla	199,500	37.5	18,703	16,726	0	28,055	18,703
Alan Symmons	210,000	37.5	19,688	17,606	0	29,531	19,688

Discretionary Performance Awards

In order to determine a participant's Discretionary Performance Award, the portion of such participant's bonus pool applicable to the Discretionary Performance Award calculation (25% in the case of Mr. Gaynor and 12.5% in the case of Ms. Cipolla and Mr. Symmons), was used as a baseline for determining the bonus opportunity for the Discretionary Performance Award (the "Discretionary Baseline"). The Discretionary Baseline was $73,500, $24,938, and $26,250 for Mr. Gaynor, Ms. Cipolla, and Mr. Symmons, respectively.

The Discretionary Performance Awards are discretionary awards made by our Compensation Committee that are based on the achievement of certain LightPath corporate goals set by the Compensation Committee for fiscal 2017. At the end of fiscal 2017, our Chief Executive Officer provided an executive summary to the Compensation Committee, which summarized our achievements with respect to each such corporate goal. The Compensation Committee determined whether the corporate goals were met and whether Discretionary Performance Awards would be made.

For fiscal 2017, the LightPath corporate goals included: (i) the development of a capacity plan for our major manufacturing facilities, (ii) obtaining ISO TS16949 certification for our Zhenjiang manufacturing facility, (iii) improving our strategic ultra-precision mold/tooling operation, and (iv) successfully integrating the operations of ISP subsequent to the consummation of the acquisition of ISP (assuming that the ISP acquisition was consummated during fiscal 2017).

After reviewing our Chief Executive Officer's executive summary, the Compensation Committee determined that for fiscal 2017, each participant met the corporate goals established with respect to the Discretionary Performance Award. Accordingly, under the formula used to calculate each participant's Discretionary Performance Award bonus (Discretionary Baseline x 100%, if the goals are met), each participant earned a Discretionary Performance Award as follows:

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Participant	Discretionary Baseline ($)	Total Amount Earned ($)
J. James Gaynor	73,500	73,500
Dorothy Cipolla	24,938	24,938
Alan Symmons	26,250	26,250

ISP Awards

Following the consummation of the acquisition of ISP, the Compensation Committee met and determined to set the ISP Awards. In order to determine a participant's ISP Award, the Compensation Committee set each named participant's baseline for determining the bonus opportunity for the ISP Award (the "ISP Award Baseline"). The ISP Award Baseline was $36,700, $12,400, and $13,000 for Mr. Gaynor, Ms. Cipolla, and Mr. Symmons, respectively.

The ISP Awards were based on the achievement of certain ISP corporate financial objectives set by the Compensation Committee for fiscal 2017, following the consummation of the ISP acquisition. For fiscal 2017, the ISP corporate financial objectives upon which the ISP Awards were based were as follows: (i) generating fiscal 2017 revenue of $6.9 million solely from the sales of ISP products (the "ISP Revenue Goal"), and (ii) achieving fiscal 2017 EBITDA margin with respect to ISP of 23% (the "ISP EBITDA Goal"). The ISP Revenue Goal and the ISP EBITDA Goal were each worth one-half of the ISP Award Baseline and each goal was evaluated independently of the other goal.

The ISP fiscal 2017 revenue was $8.0 million; thus, the ISP Revenue Goal was met. The ISP fiscal EBITDA margin was 31%; thus, the ISP EBITDA Goal was also met. Accordingly, under the formula used to calculate each named executive officer's ISP Award bonus (ISP Award Baseline x 100%, if both the ISP Revenue Goal and the ISP EBITDA Goal are met), each participant earned an ISP Award as follows:

Participant	ISP Baseline ($)	Total Amount Earned ($)
J. James Gaynor	36,700	36,700
Dorothy Cipolla	12,400	12,400
Alan Symmons	13,000	13,000

Payment of Awards

Corporate Performance Awards are paid 50% in cash and 50% in restricted stock units; however, the Compensation Committee retained the discretion to adjust the allocation of the Corporate Performance Award between cash and restricted stock units prior to payment. The restricted stock units will vest on the third anniversary of the date of grant. The Corporate Performance Awards were paid 50% cash and 50% in restricted stock units for fiscal 2017.

The Discretionary Performance Awards were stock option grants, which vest one-third on each of the first, second, and third anniversaries of the grant date, and have an exercise price equal to the closing stock price on the day before the grant date plus a premium of 15%. The dollar amount of the award will be divided by the Black-Scholes-Merton value per share to determine the number of stock options to be issued.

The ISP Awards were paid in cash.

Summary Compensation Table

The following table sets forth certain compensation awarded to, earned by or paid to (i) our Chief Executive Officer and (ii) our two other most highly compensated executive officers serving as executive officers at the end of fiscal 2018. We did not have any individuals for whom disclosure would have been required but for the fact that the individual was not serving as an executive officer as of the end of fiscal 2018. Our Chief Financial Officer, Donald Retreage, Jr. was appointed as Chief Financial Officer in June 2018; thus, for purposes of fiscal 2018, he did not qualify as one of the two other most highly compensated executive officers and is not included in the discussion below.

Name and Position (a)	Fiscal Year (b)	Salary ($) (c)		Stock Awards ($) (1) (e)		Option Awards ($) (2) (f)		Non-Equity Incentive Plan Compensation ($) (g)		All Other Compensation ($) (3) (i)	Total ($) (j)
J. James Gaynor	2018	315,000	(4)	—		7,500	(5)	—		14,383	336,883
President & Chief Executive Officer	2017	284,712	(4)	93,555	(6)	73,500	(6)	130,255	(6)	—	582,022
Dorothy M. Cipolla	2018	200,000	(7)	—		3,000	(5)	—		14,135	217,135
Vice President and Executive Director, Treasurer & Secretary	2017	195,000	(7)	31,742	(6)	24,938	(6)	44,142	(6)	—	295,822
Alan Symmons	2018	210,000	(8)	—		3,000	(5)	—		42,465	255,465
Executive Vice President of Operations	2017	205,192	(8)	33,412	(6)	26,250	(6)	46,412	(6)	—	311,266

Notes:

(1)
For valuation assumptions on stock awards refer to note 10 to the Consolidated Financial Statements of our Annual Report on Form 10-K for fiscal 2018. The disclosed amounts reflect the fair value of the restricted stock unit awards that were earned during the fiscal years ended June 30, 2018 in accordance with FASB ASC Topic 718.

(2)

For valuation assumptions on stock option awards refer to note 10 to the Consolidated Financial Statements of our Annual Report on Form 10-K for fiscal 2018. The disclosed amounts reflect the fair value of the stock option awards that were earned during the fiscal years ended June 30, 2018 and 2017 in accordance with FASB ASC Topic 718.

(3)
For fiscal 2017, Other Compensation, as defined by SEC rules does not include the amounts that qualify under the applicable de minimis rule for all periods presented. The de minimis rule does not require reporting of perquisites and other compensation that totals less than $10,000 in the aggregate. For fiscal 2017 and 2018, the nature of these compensatory items include our contribution toward the premium costs for employee and dependent medical, life, and disability income insurances, benefits generally available to our employees, vacation buyout and the match on the 401k plan. Amounts for Mr. Symmons in fiscal 2018 include $25,900 for undocumented living expenses when he was general manager of the ISP New York facility.

(4)
Mr. Gaynor’s base salary was 94% of his total compensation for fiscal 2018 and 49% of his total compensation for fiscal 2017.

(5)
Based on the achievement of certain criteria set by the Compensation Committee, the named executive officers did not earn their respective STI Awards during fiscal 2018. However, the named executive officers partially earned their respective LTI Annual Awards, which will be paid as stock options. Even though the LTI Annual Awards were earned in fiscal 2018, the awards will not be granted until fiscal 2019. For additional information, please see “Discussion of Summary Compensation Table of Named Executive Officers” below.

(6)
Based on the achievement of certain criteria, the named executive officers earned their respective incentive bonus awards for fiscal 2017. Pursuant to the terms of the incentive program for 2017, the earned portion of each named executive officer's award was paid out 44% in cash and 56% in equity awards; however, even though the awards were earned for fiscal 2017, neither the cash portion nor the equity portion were paid in fiscal 2017. For additional information, please see "Discussion of Summary Compensation Table of Named Executive Officers" below.

(7)
Ms. Cipolla's base salary was 92% of her total compensation for fiscal 2018 and 66% of her total compensation for fiscal 2017.

(8)
Mr. Symmons' base salary was 82% of his total compensation for fiscal 2018 and 66% of his total compensation for fiscal 2017.

Narrative Discussion of Summary Compensation Table of Executive Officers

The following is a narrative discussion of the material information that we believe is necessary to understand the information is disclosed in the foregoing Summary Compensation Table. The following narrative disclosure is separated into sections, with a separate section for each of our named executive officers.

With respect to fiscal 2018, each named executive officer received a base salary and a LTI Annual Award and was eligible for STI Awards. Information on the specific components of executive compensation for fiscal 2018 can be found above under the heading "2018 Incentive Program." With respect to fiscal 2017, each named executive officer received a base salary and incentive awards. Information on the specific components of executive compensation for fiscal 2017 can be found above under the heading "2017 Incentive Program."

Additional details regarding the stock options and restricted stock units granted to each named executive officer is set forth below.

J. James Gaynor