

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K

**CURRENT REPORT PURSUANT
TO SECTION 13 OR 15(D) OF THE
SECURITIES EXCHANGE ACT OF 1934**

Date of report (Date of earliest event reported): July 15, 2010

CopyTele, Inc.

(Exact Name of Registrant as Specified in Its Charter)

Delaware

(State or Other Jurisdiction of Incorporation)

1-11254

(Commission File Number)

11-2622630

(IRS Employer Identification No.)

900 Walt Whitman Road, Melville, NY

(Address of Principal Executive Offices)

11747

(Zip Code)

(631) 549-5900

(Registrant's Telephone Number, Including Area Code)

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

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

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

Section 5 – Corporate Governance and Management

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

2010 Share Incentive Plan

On July 15, 2010, the Board of Directors (the “Board”) of CopyTele, Inc. (the “Company”) adopted the CopyTele, Inc. 2010 Share Incentive Plan (the “2010 Plan”).

Officers, key employees and non-employee directors of, and consultants to, the Company or any of its subsidiaries and affiliates are eligible to participate in the 2010 Plan. The 2010 Plan provides for the granting of stock options, stock appreciation rights, stock awards, performance awards and stock units (the “Benefits”). A maximum of 15,000,000 shares of common stock are reserved and available for issuance under the 2010 Plan, subject to adjustment in the event of a stock split, stock dividend, recapitalization or similar capital change. Each current and future non-employee director is automatically granted non-qualified stock options to purchase 60,000 shares of common stock upon their initial election to the Board and at the time of each subsequent annual meeting of shareholders at which they are re-elected to the Board.

The 2010 Plan will be administered by the committee (the “Committee”) appointed by the Board, which determines the term and provisions of the Benefits. The 2010 Plan contains provisions for equitable adjustment of the Benefits in the event of a merger, consolidation, reorganization, recapitalization, stock dividend, stock split, reverse stock split, split up, spinoff, combination of shares, exchange of shares, dividends in kind or other like change in capital structure or distribution (other than normal cash dividends) to stockholders of the Company. The 2010 Plan terminates on July 14, 2020. The Committee may amend, suspend or terminate the 2010 Plan at any time.

Adoption of the 2010 Plan was not subject to shareholder approval. The Board approved the 2010 Plan because it believes that additional shares of common stock must be made available to attract, retain and motivate highly competent persons as officers, employees and non-employee directors of, and consultants to, the Company and its subsidiaries and affiliates, and to assist in further aligning the interests of such individuals with those of the Company’s other stockholders.

The above summary of the 2010 Plan is qualified in its entirety by reference to the full text of the 2010 Plan which is filed as Exhibit 10.1 to this Current Report on Form 8-K (this “Current Report”).

Amendment to the CopyTele, Inc. 2003 Share Incentive Plan

On July 15, 2010, the Board approved an Amendment No. 6 (the “Plan Amendment”) to the CopyTele, Inc. 2003 Share Incentive Plan (the “2003 Plan”). The Plan Amendment extends the post-termination exercise period for all options to be granted under the 2003 Plan to five (5) years if the employment of any employee, or the continuing services of any director or consultant, is terminated by reason of the employee’s, director’s or consultant’s death, retirement, disability, or dismissal other than for cause.

The foregoing description of the Plan Amendment does not purport to be complete and is qualified in its entirety by reference to the full text of the Plan Amendment, which is filed as Exhibit 10.5 to this Current Report and is incorporated by reference herein.

Amendment to Stock Option Grant Agreements

On July 15, 2010, the Board voted to extend the post-termination exercise period of certain stock options previously granted pursuant to the 2003 Plan and 2000 Share Incentive Plan (the “2000 Plan”) allowing the post-termination exercise period for all vested options previously granted under the 2000 Plan and 2003 Plan to be extended to five (5) years (but not beyond the original term of the option) if the employment of any employee, or the continuing services of any director or consultant, is terminated by reason of the employee’s, director’s or consultant’s death, retirement, disability, or dismissal other than for cause (the “Extension”). In connection with the Extension, the Board approved amendments to the outstanding stock option agreements previously granted to certain executive officers and directors under the 2003 Plan and the 2000 Plan (the “Stock Option Amendments”). The following stock option grants and related stock option agreements issued to the Company’s executive officers and directors are affected by the Extension:

	Grant Date	Type	# of Shares	Option Price	Exercise Date	Expiration Date
Denis Krusos						
2000 Plan	10/27/00	NQO	250,000	1.063	4/27/01	10/26/10
	1/2/01	NQO	250,000	0.688	1/2/01	1/1/11
	9/20/01	ISO	150,000	0.400	3/20/02	9/19/11
2003 Plan	5/6/03	NQO	500,000	0.250	5/6/03	5/5/13
	2/23/04	NQO	500,000	0.430	2/23/04	2/22/14
	5/11/04	NQO	250,000	0.810	5/11/04	5/10/14
	10/26/04	NQO	1,000,000	1.040	10/26/04	10/25/14
	2/18/05	NQO	1,500,000	0.650	2/18/05	2/17/15
	10/31/05	NQO	1,000,000	0.520	10/31/05	10/30/15
	6/1/06	NQO	1,000,000	0.830	6/1/06	5/31/16
	11/21/06	NQO	700,000	0.700	11/21/06	11/20/16
	11/12/07	NQO	1,000,000	1.170	5/12/08	11/11/17
10/8/09	NQO	1,000,000	0.920	10/8/09	10/7/19	
			<u>9,100,000</u>			

Henry P. Herms

2000 Plan	11/20/00	ISO	100,000	0.938	5/20/01	11/19/10
	1/2/01	ISO	50,000	0.688	1/2/01	1/1/11
2003 Plan	5/11/04	NQO	50,000	0.810	5/11/04	5/10/14
	10/26/04	NQO	70,000	1.040	10/26/04	10/25/14
	2/18/05	NQO	100,000	0.650	2/18/05	2/17/15
	10/31/05	NQO	100,000	0.520	10/31/05	10/30/15
	6/1/06	NQO	50,000	0.830	6/1/06	5/31/16
	11/21/06	NQO	50,000	0.700	11/21/06	11/20/16
	11/12/07	NQO	75,000	1.170	5/12/08	11/11/17
	10/8/09	NQO	100,000	0.920	10/8/09	10/7/19
			<u>745,000</u>			

George Larounis

2003 Plan	5/11/04	NQO	60,000	0.810	5/11/04	5/10/14
	6/29/04	NQO	40,000	0.750	6/29/04	6/28/14
	10/26/04	NQO	60,000	1.040	10/26/04	10/25/14
	2/18/05	NQO	60,000	0.650	2/18/05	2/17/15
	10/31/05	NQO	60,000	0.520	10/31/06	10/30/10
	10/31/05	NQO	40,000	0.520	10/31/05	10/30/15
	6/1/06	NQO	160,000	0.830	6/1/06	5/31/16
	10/31/06	NQO	60,000	0.590	10/31/07	10/30/11
	11/13/07	NQO	60,000	1.210	5/13/08	11/12/17
	8/28/08	NQO	60,000	0.800	8/29/09	8/27/13
	10/8/09	NQO	60,000	0.920	10/8/09	10/7/19
	10/29/09	NQO	60,000	0.612	10/29/10	10/28/14
			<u>780,000</u>			

The foregoing description of the Stock Option Amendments does not purport to be complete and is qualified in its entirety by reference to the full text of the Stock Option Amendments for employee and director participants, which are filed as Exhibits 10.6 and 10.7, respectively, to this Current Report and is incorporated by reference herein.

Section 9 – Financial Statements and Exhibits**Item 9.01 Financial Statements and Exhibits.**

- (d) Exhibits.
- 10.1 CopyTele, Inc. 2010 Share Incentive Plan.
- 10.2 Form of Stock Option Agreement under the 2010 Share Incentive Plan (for employee participants).
- 10.3 Form of Stock Option Agreement under the 2010 Share Incentive Plan to (for director participants).
- 10.4 Form of Stock Award Agreement under the 2010 Share Incentive Plan.
- 10.5 Amendment No. 6 to the CopyTele, Inc. 2003 Share Incentive Plan.
- 10.6 Form of Stock Option Grant Amendment under the 2000 Share Incentive Plan and 2003 Share Incentive Plan (for employee participants).
- 10.7 Form of Stock Option Grant Amendment under the 2000 Share Incentive Plan and 2003 Share Incentive Plan (for director participants).

SIGNATURES

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

COPYTELE, INC.

Date: July 20, 2010

By: /s/ Denis A. Krusos

Denis A. Krusos

Chairman of the Board and Chief Executive Officer

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
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10.7	Form of Stock Option Grant Amendment under the 2000 Share Incentive Plan and 2003 Share Incentive Plan (for director participants).

COPYTELE, INC.

2010 SHARE INCENTIVE PLAN

1. **Purpose.** The CopyTele, Inc. 2010 Share Incentive Plan (the "Plan") is intended to provide incentives which will attract, retain and motivate highly competent persons as officers, key employees and non-employee directors ("Director Participants"), of, and consultants to, CopyTele, Inc. (the "Company") and its subsidiaries and affiliates, by providing them opportunities to acquire shares of the Company's common stock, par value \$.01 per share (the "Common Stock"), or to receive monetary payments based on the value of such shares pursuant to the Benefits (as defined below) described herein. Additionally, the Plan is intended to assist in further aligning the interests of the Company's officers, key employees and consultants to those of its other stockholders.

2. **Administration.**

(a) The Plan will be administered by a committee (the "Committee") appointed by the Board of Directors of the Company from among its members (which may be the Compensation Committee) and shall be comprised, unless otherwise determined by the Board of Directors, solely of not less than two members who shall be (i) "Non-Employee Directors" within the meaning of Rule 16b 3(b)(3) (or any successor rule) promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act") and (ii) "outside directors" within the meaning of Treasury Regulation Section 1.162-27(e)(3) under Section 162(m) of the Internal Revenue Code of 1986, as amended (the "Code"). The Committee is authorized, subject to the provisions of the Plan, to establish such rules and regulations as it deems necessary for the proper administration of the Plan and to make such determinations and interpretations and to take such action in connection with the Plan and any Benefits granted hereunder as it deems necessary or advisable. All determinations and interpretations made by the Committee shall be binding and conclusive on all participants and their legal representatives. No member of the Committee and no employee of the Company shall be liable for any act or failure to act hereunder, except in circumstances involving his or her bad faith, gross negligence or willful misconduct, or for any act or failure to act hereunder by any other member or employee or by any agent to whom duties in connection with the administration of this Plan have been delegated. The Company shall indemnify members of the Committee and any agent of the Committee who is an employee of the Company, a subsidiary or an affiliate against any and all liabilities or expenses to which they may be subjected by reason of any act or failure to act with respect to their duties on behalf of the Plan, except in circumstances involving such person's bad faith, gross negligence or willful misconduct.

(b) The Committee may delegate to one or more of its members, or to one or more agents, such administrative duties as it may deem advisable, and the Committee, or any person to whom it has delegated duties as aforesaid, may employ one or more persons to render advice with respect to any responsibility the Committee or such person may have under the Plan. The Committee may employ such legal or other counsel, consultants and agents as it may deem desirable for the administration of the Plan and may rely upon any opinion or computation received from any such counsel, consultant or agent. Expenses incurred by the Committee in the engagement of such counsel, consultant or agent shall be paid by the Company, or the subsidiary or affiliate whose employees have benefited from the Plan, as determined by the Committee.

3. **Participants.** Participants will consist of such officers, key employees and Director Participants of, and such consultants to, the Company and its subsidiaries and affiliates as the Committee in its sole discretion determines to be significantly responsible for the success and future growth and profitability of the Company and whom the Committee may designate from time to time to receive Benefits under the Plan. Designation of a participant in any year shall not require the Committee to designate such person to receive a Benefit in any other year or, once designated, to receive the same type or amount of Benefit as granted to the participant in any other year. The Committee shall consider such factors as it deems pertinent in selecting participants and in determining the type and amount of their respective Benefits.

4. **Type of Benefits.** Benefits under the Plan may be granted in any one or a combination of (a) Stock Options, (b) Stock Appreciation Rights, (c) Stock Awards, (d) Performance Awards and (e) Stock Units (each as described below, and collectively, the "Benefits"). Stock Awards, Performance Awards, and Stock Units may, as determined by the Committee in its discretion, constitute Performance-Based Awards, as described in Section 12 hereof. Benefits shall be evidenced by agreements (which need not be identical) in such forms as the Committee may from time to time approve; provided, however, that in the event of any conflict between the provisions of the Plan and any such agreements, the provisions of the Plan shall prevail.

5. **Common Stock Available Under the Plan.** The aggregate number of shares of Common Stock that may be subject to Benefits, including Stock Options, granted under this Plan shall be 15,000,000 shares of Common Stock, which may be authorized and unissued or treasury shares, subject to any adjustments made in accordance with Section 15 hereof. Any shares of Common Stock subject to a Stock Option or Stock Appreciation Right which for any reason is cancelled or terminated without having been exercised, any shares subject to Stock Awards, Performance Awards or Stock Units which are forfeited, any shares subject to Performance Awards settled in cash or any shares delivered to the Company as part or full payment for the exercise of a Stock Option or Stock Appreciation Right shall again be available for Benefits under the Plan.

6. **Stock Options.** Stock Options will consist of awards from the Company that will enable the holder to purchase a number of shares of Common Stock, at set terms. Stock Options may be "incentive stock options", within the meaning of Section 422 of the Code ("Incentive Stock Options"), or Stock Options which do not constitute Incentive Stock Options ("Nonqualified Stock Options"); provided, however, that grants of Incentive Stock Options may only be made to employees of the Company, a subsidiary corporation or parent corporation and that Incentive Stock Option grants made prior to approval of the grant of Incentive Stock Options under the Plan by stockholders of the Company shall be subject to such approval and provided, further, that if stockholder approval of the grant of Incentive Stock Options under the Plan is not obtained within twelve months of adoption of the Plan by the Board of Directors, any Stock Option granted during the twelve month period after adoption of the Plan by the Board of Directors that is designated as an Incentive Stock Option shall be treated thereafter as Nonqualified Stock Option. The Committee will have the authority to grant to any participant, including officers, key employees, Director Participants, and consultants, Nonqualified Stock Options, or, for those participants who are employees of the Company, a subsidiary corporation or parent corporation both types of Stock Options (in each case with or without Stock Appreciation Rights). Each Stock Option shall be subject to such terms and conditions consistent with the Plan as the Committee may impose from time to time, subject to the following limitations:

(a) **Exercise Price.** Each Stock Option granted hereunder shall have such per-share exercise price as the Committee may determine at the date of grant provided that such per share exercise price shall be at least equal to the Fair Market Value; subject to subsection (d), below.

(b) **Payment of Exercise Price.** The option exercise price may be paid in cash or, in the discretion of the Committee, by the delivery of shares of Common Stock of the Company then owned by the participant, or by delivery to the Company of (x) irrevocable instructions to deliver directly to a broker the stock certificates representing the shares for which the Stock Option is being exercised, and (y) irrevocable instructions to such broker to sell such shares for which the Stock Option is being exercised, and promptly deliver to the Company the portion of the proceeds equal to the Stock Option exercise price and any amount necessary to satisfy the Company's obligation for withholding taxes, or any combination thereof. For purposes of making payment in shares of Common Stock, such shares shall be valued at their Fair Market Value (as defined below) on the date of exercise of the Stock Option and shall have been held by the participant for at least six months. To facilitate the foregoing, the Company may enter into agreements for coordinated procedures with one or more brokerage firms. The Committee may prescribe any other method of paying the exercise price that it determines to be consistent with applicable law and the purpose of the Plan, including, without limitation, in lieu of the exercise of a Stock Option by delivery of shares of Common Stock of the Company then owned by a participant, providing the Company with a notarized statement attesting to the number of shares owned, where upon verification by the Company, the Company would issue to the participant only the number of incremental shares to which the participant is entitled upon exercise of the Stock Option. The Committee may, at the time of grant, provide for the grant of a subsequent Restoration Stock Option if the exercise price is paid for by delivering previously owned shares of Common Stock of the Company. Restoration Stock Options (i) may be granted in respect of no more than the number of shares of Common Stock tendered in exercising the predecessor Stock Option, (ii) shall have an exercise price equal to the Fair Market Value on the date the Restoration Stock Option is granted, and (iii) may have an exercise period that does not extend beyond the remaining term of the predecessor Stock Option. In determining which methods a participant may utilize to pay the exercise price, the Committee may consider such factors as it determines are appropriate.

(c) **Exercise Period.** Stock Options granted under the Plan shall be exercisable at such time or times and subject to such terms and conditions as shall be determined by the Committee; provided, however, that no Stock Option shall be exercisable later than ten years after the date it is granted. All Stock Options shall terminate at such earlier times and upon such conditions or circumstances as the Committee shall in its discretion set forth in such option agreement at the date of grant; provided, however, the Committee may, in its sole discretion, later waive any such condition.

(d) **Limitations on Incentive Stock Options.** Incentive Stock Options may be granted only to participants who are employees of the Company or one of its subsidiaries (within the meaning of Section 424(f) of the Code) at the date of grant. The aggregate Fair Market Value (determined as of the time the Stock Option is granted) of the Common Stock with respect to which Incentive Stock Options are exercisable for the first time by a participant during any calendar year (under all option plans of the Company and of any parent corporation or subsidiary corporation (as defined in Sections 424(e) and (f) of the Code, respectively)) shall not exceed \$100,000. For purposes of the preceding sentence, Incentive Stock Options will be taken into account in the order in which they are granted. The per-share exercise price of an Incentive Stock Option shall not be less than 100% of the Fair Market Value of the Common Stock on the date of grant, and no Incentive Stock Option may be exercised later than ten years after the date it is granted; provided, however, Incentive Stock Options may not be granted to any participant who, at the time of grant, owns stock possessing (after the application of the attribution rules of Section 424(d) of the Code) more than 10% of the total combined voting power of all classes of stock of the Company or any parent or subsidiary corporation of the Company, unless the exercise price is fixed at not less than 110% of the Fair Market Value of the Common Stock on the date of grant and the exercise of such option is prohibited by its terms after the expiration of five years from the date of grant of such option.

(e) **Post-Severance Exercises.** Upon termination of employment of any employee, termination of service on the Board of Directors of a Director Participant or of the continuing services of any consultant with the Company and all subsidiary corporations and parent corporations of the Company, any Stock Option previously granted to the employee, Director Participant or consultant, unless otherwise specified by the Committee in the Stock Option agreement, shall, to the extent not theretofore exercised, terminate and become null and void; provided, however, that:

(i) if the employee, Director Participant or consultant shall die while in the employ or service of such corporation or in the case of an Incentive Stock Option granted to an employee, die during the three (3) month period following termination of employment or, in the case of a Nonqualified Stock Option granted to an employee, Director Participant or consultant, during the five (5) year period, following termination of employment or service whichever is applicable, and at a time when such employee, Director Participant or consultant was entitled to exercise a Stock Option as herein provided, the legal representative of such employee, Director Participant or consultant, or such person who acquired such Stock Option by bequest or inheritance or by reason of the death of the employee, Director Participant or consultant, may, not later than five (5) years from the date of death, exercise such Stock Option, to the extent not theretofore exercised, in respect of any or all of such number of shares of Common Stock as specified by the Committee in such Stock Option; provided, however, that in the case of an Incentive Stock Option granted to an employee who dies during the three (3) month period following termination of employment, such Stock Option shall become a Nonqualified Stock Option after the three (3) month period following termination of employment; and

(ii) if the employment of any employee or the continuing services of any Director Participant or consultant to whom such Stock Option shall have been granted shall terminate by reason of the employee's, Director Participant's or consultant's retirement (at such age or upon such conditions as shall be specified by the Committee), disability (as described in Section 22(e)(3) of the Code) or dismissal by the employer other than for cause (as defined below), and while such employee, Director Participant or consultant is entitled to exercise such Stock Option as herein provided, such employee, Director Participant or consultant shall have the right to exercise such Stock Option so granted in respect of any or all of such number of shares as specified by the Committee in such Stock Option, at any time up to and including (x) five (5) years after the date of such termination of employment or services in the case of termination by reason of retirement, disability (as described in Section 22(e)(3) of the Code) or dismissal other than for cause, provided, however, (y) with respect to an Incentive Stock Option, such Incentive Stock Option shall convert to a Nonqualified Stock Option after (A) one (1) year after the date of termination of employment by reason of disability (as described in Section 22(e)(3) of the Code), and (B) three (3) months after the date of termination of employment due to retirement or dismissal other than for cause.

In no event, however, shall any person be entitled to exercise any Stock Option after the expiration of the period of exercisability of such Stock Option or Right, as specified in such option agreement at the date of grant.

If an employee, Director Participant or consultant voluntarily terminates his or her employment or continuing services, or is discharged "for cause", any Stock Option granted hereunder shall, unless otherwise specified by the Committee in the option agreement, forthwith terminate with respect to any unexercised portion thereof.

If a Stock Option granted hereunder shall be exercised by the legal representative of a deceased grantee or by a person who acquired a Stock Option granted hereunder by bequest or inheritance or by reason of the death of any employee, Director Participant or consultant or former employee, former Director Participant or former consultant, written notice of such exercise shall be accompanied by a certified copy of letters testamentary or equivalent proof of the right of such legal representative or other person to exercise such Stock Option.

For the purposes of the Plan, the term "for cause" shall mean (a) with respect to an employee, Director Participant or consultant who is a party to a written service agreement with, or, alternatively, participates in a compensation or benefit plan of the Company or a subsidiary corporation or parent corporation of the Company, which agreement or plan contains a definition of "for cause" or "cause" (or words of like import) for purposes of termination of employment or services thereunder by the Company or such subsidiary corporation or parent corporation of the Company, "for cause" or "cause" as defined therein; or (b) in all other cases, as determined by the Committee or the Board of Directors, in its sole discretion, (i) the willful commission by an employee, Director Participant or consultant of an act that causes or may cause substantial damage to the Company or a subsidiary corporation or parent corporation of the Company; (ii) the commission by an employee, Director Participant or consultant of an act of fraud in the performance of such employee's or consultant's duties on behalf of the Company or a subsidiary corporation or parent corporation of the Company; (iii) conviction of the employee, Director Participant or consultant for commission of a felony in connection with the performance of his duties on behalf of the Company or a subsidiary corporation or parent corporation of the Company; or (iv) the continuing failure of an employee, Director Participant or consultant to perform the duties of such employee, Director Participant or consultant to the Company or a subsidiary corporation or parent corporation of the Company after written notice thereof and a reasonable opportunity to be heard and cure such failure are given to the employee, Director Participant or consultant by the Committee.

For the purposes of the Plan, an employment relationship shall be deemed to exist between an individual and a corporation if, at the time of the determination, the individual was an "employee" of such corporation for purposes of Section 422(a) of the Code. If an individual is on leave of absence taken with the consent of the corporation by which such individual was employed, or is on active military service, and is determined to be an "employee" for purposes of the exercise of a Stock Option, such individual shall not be entitled to exercise such Stock Option during such period unless such individual shall have obtained the prior written consent of such corporation, which consent shall be signed by the chairman of the board of directors, the president, a senior vice-president or other duly authorized officer of such corporation.

A termination of employment or services shall not be deemed to occur by reason of (i) the transfer of an employee or consultant from employment or retention by the Company to employment or retention by a subsidiary corporation or a parent corporation of the Company or (ii) the transfer of an employee or consultant from employment or retention by a subsidiary corporation or a parent corporation of the Company to employment or retention by the Company or by another subsidiary corporation or parent corporation of the Company. Termination of a consultant's services shall be considered to occur when he ceases to perform services on a regular basis; provided, however, termination of a consultant's services shall not be deemed to occur where the termination of services is due to such consultant becoming an employee of the Company or a subsidiary corporation or a parent corporation.

In the event an employee changes status to a consultant, all Stock Option grants shall continue for the remainder of the exercise period, provided, however, any Incentive Stock Options shall, three (3) months after termination of employment, be treated as a Nonqualified Stock Option for the remainder of the exercise period.

In the event of the complete liquidation or dissolution of a subsidiary corporation, or if such corporation ceases to be a subsidiary corporation, any unexercised Stock Options theretofore granted to any person employed by or rendering consulting services to such subsidiary corporation will be deemed cancelled unless such person is employed by or renders continuing services to the Company or by any parent corporation or another subsidiary corporation after the occurrence of such event. If a Stock Option is to be cancelled pursuant to the provisions of the previous sentence, notice of such cancellation will be given to each employee or consultant holding unexercised Stock Options, and such holder will have the right to exercise such Stock Options in full during the thirty (30) day period following notice of such cancellation.

(f) Each Stock Option issued under this Section 6 shall be fully vested and exercisable, unless otherwise specified in the grant agreement.

7. Automatic Stock Option Grants to Director Participants.

(a) Subject to the terms and conditions of this Section 7, commencing with the 2010 Annual Meeting of Stockholders of the Company, each current Director Participant of the Company shall automatically be granted a Nonqualified Stock Option to purchase 60,000 shares of Common Stock (less the number of shares, if any, automatically granted to such Director Participant under any other plan that year) each year that such Director Participant is elected to the Board of Directors. Future Director Participants shall automatically be granted Nonqualified Stock Options to purchase 60,000 shares of Common Stock (less the number of shares, if any, automatically granted to such Director Participant under any other plan that year) upon their initial election to the Board of Directors and at the time of each subsequent Annual Meeting of Stockholders of the Company at which such Director Participant is elected to the Board of Directors. The purchase price of the shares of Common Stock covered by the Nonqualified Stock Options granted pursuant to this Section 7 shall be the Fair Market Value of such shares of Common Stock on the date of grant. A Director Participant who is elected to the Board of Directors on a date subsequent to the Annual Meeting of Stockholders of the Company will, for the initial year, be granted a pro-rata amount of the 60,000 shares of Common Stock based on 60,000 multiplied by the ratio of full calendar months until the next Annual Meeting of Stockholders divided by twelve.

(b) A Nonqualified Stock Option granted to any Director Participant of the Company shall not be exercisable for the twelve-month period immediately following the grant of such Nonqualified Stock Option. Thereafter, the Nonqualified Stock Option shall be exercisable for the period ending five years from the date of grant of such Nonqualified Stock Option, except to the extent such exercise is further limited or restricted pursuant to the provisions hereof.

(c) If a Director Participant's service as a director of the Company terminates, any Nonqualified Stock Option previously granted to such Director Participant shall, to the extent not theretofore exercised, terminate and become null and void; provided, however, that:

(i) if a Director Participant holding an outstanding Nonqualified Stock Option dies, such Nonqualified Stock Option shall, to the extent not theretofore exercised, remain exercisable for five (5) years after such Director Participant's death, by such Director Participant's legatee, distributee, guardian or legal or personal representative; and

(ii) if the service of a Director Participant to whom such Nonqualified Stock Option shall have been granted shall terminate by reason of (i) such Director Participant's disability (as described in Section 22(e)(3) of the Code), (ii) voluntary retirement from service as a director of the Company, or (iii) failure of the Company to retain or nominate for re-election such Director Participant who is otherwise eligible, unless due to any act of (A) fraud or intentional misrepresentation, or (B) embezzlement, misappropriation or conversion of assets or opportunities of the Company or any direct or indirect subsidiary of the Company, while such Director Participant is entitled to exercise such Nonqualified Stock Option as herein provided, such Director Participant shall have the right to exercise such Nonqualified Stock Option so granted in respect of any or all of such number of shares of Common Stock subject to such Nonqualified Stock Option at any time up to and including (X) five (5) years after the date of such termination of service due to failure of the Company to retain or nominate for re-election such Director Participant who is otherwise eligible, unless due to any act of (1) fraud or intentional misrepresentation, or (2) embezzlement, misappropriation or conversion of assets or opportunities of the Company or any direct or indirect subsidiary of the Company, and (Y) five (5) years after the date of termination of service in the case of termination of service by reason of voluntary retirement or by reason of disability; and

(iii) if the Director Participant shall die during the five (5) year period specified in clause (ii) above and at a time when such Director Participant was entitled to exercise a Nonqualified Stock Option as herein provided, the legal representative of such Director Participant, or such person who acquired such Nonqualified Stock Option by bequest or inheritance or by reason of the death of the Director Participant may, not later than five (5) years from the date of death, exercise such Nonqualified Stock Option, to the extent not theretofore exercised, in respect of any or all of such number of Shares subject to such Nonqualified Stock Option.

In no event, however, shall a Director Participant be entitled to exercise any Stock Option issued under this Section 7 after the expiration of the period of exercisability of such Stock Option, as specified therein.

(d) A Director Participant may receive automatic Stock Option grants under this Section 7 and Stock Option grants under Section 6.

8. Stock Appreciation Rights.

(a) The Committee may, in its discretion, grant Stock Appreciation Rights to the holders of any Stock Options granted hereunder. In addition, Stock Appreciation Rights may be granted independently of, and without relation to, Stock Options. A Stock Appreciation Right means a right to receive a payment in cash, Common Stock or a combination thereof, in an amount equal to the excess of (x) the Fair Market Value, or other specified valuation, of a specified number of shares of Common Stock on the date the right is exercised over (y) the Fair Market Value, or other specified valuation (which shall be no less than the Fair Market Value) of such shares of Common Stock on the date the right is granted, all as determined by the Committee; provided, however, that if a Stock Appreciation Right is granted in substitution for a Stock Option, the designated Fair Market Value in the award agreement may be the Fair Market Value on the date such Stock Option was granted. Each Stock Appreciation Right shall be fully vested unless otherwise specified in the grant agreement. Each Stock Appreciation Right shall be subject to such terms and conditions as the Committee shall impose from time to time.

(b) Stock Appreciation Rights granted under the Plan shall be exercisable at such time or times and subject to such terms and conditions as shall be determined by the Committee; provided, however, that no Stock Appreciation Rights shall be exercisable later than ten years after the date it is granted. All Stock Appreciation Rights shall terminate at such earlier times and upon such conditions or circumstances as the Committee shall in its discretion set forth in such right at the date of grant.

(c) The exercise of any Stock Appreciation Right after termination of employment of a participant with the Company, a subsidiary of the Company or with any company providing consulting services to the Company shall be subject to the same terms and conditions as set forth in Section 6(e) above.

9. **Stock Awards.** The Committee may, in its discretion, grant Stock Awards (which may include mandatory payment of bonus incentive compensation in stock) consisting of Common Stock issued or transferred to participants with or without other payments therefor. Stock Awards may be subject to such terms and conditions as the Committee determines appropriate, including, without limitation, restrictions on the sale or other disposition of such shares, the right of the Company to reacquire such shares for no consideration upon termination of the participant's employment, and may constitute Performance-Based Awards, as described in Section 12 hereof. Each Stock Award shall be fully vested unless otherwise specified in the grant agreement. The Committee may require the participant to deliver a duly signed stock power, endorsed in blank, relating to the Common Stock covered by such an Award. The Committee may also require that the stock certificates evidencing such shares be held in custody or bear restrictive legends until the restrictions thereon shall have lapsed. The Stock Award shall specify whether the participant shall have, with respect to the shares of Common Stock subject to a Stock Award, all of the rights of a holder of shares of Common Stock of the Company, including the right to receive dividends and to vote the shares.

10. **Performance Awards.**

(a) Performance Awards may be granted to participants at any time and from time to time, as shall be determined by the Committee. Performance Awards may constitute Performance-Based Awards, as described in Section 12 hereof. The Committee shall have complete discretion in determining the number, amount and timing of awards granted to each participant. Such Performance Awards may be in the form of shares of Common Stock or Stock Units. Performance Awards may be awarded as short-term or long-term incentives. Performance targets may be based upon, without limitation, Company-wide, divisional and/or individual performance.

(b) With respect to those Performance Awards that are not intended to constitute Performance-Based Awards, the Committee shall have the authority at any time to make adjustments to performance targets for any outstanding Performance Awards which the Committee deems necessary or desirable unless at the time of establishment of such targets the Committee shall have precluded its authority to make such adjustments.

(c) Payment of earned Performance Awards shall be made in accordance with terms and conditions prescribed or authorized by the Committee. The participant may elect to defer, or the Committee may require or permit the deferral of, the receipt of Performance Awards upon such terms as the Committee deems appropriate.

11. **Stock Units.**

(a) The Committee may, in its discretion, grant Stock Units to participants hereunder. The Committee shall determine the criteria for the vesting of Stock Units. Stock Units may constitute Performance Based Awards, as described in Section 12 hereof. A Stock Unit granted by the Committee shall provide payment at such time as the award agreement shall specify. Shares of Common Stock issued pursuant to this Section 11 may be issued with or without other payments therefor as may be required by applicable law or such other consideration as may be determined by the Committee. The Committee shall determine whether a participant granted a Stock Unit shall be entitled to a Dividend Equivalent Right (as defined below).

(b) Upon vesting of a Stock Unit, unless the participant has elected to defer payment under subsection (c) below, shares of Common Stock representing the Stock Units shall be distributed to the participant unless the Committee provides for the payment of the Stock Units in cash or partly in cash and partly in shares of Common Stock equal to the value of the shares of Common Stock which would otherwise be distributed to the participant.

(c) A participant may elect not to receive a distribution upon the vesting of such Stock Unit and for the Company to continue to maintain the Stock Unit on its books of account. Any such election shall be in conformity with Code Section 409A and in such event, the value of a Stock Unit shall be payable in shares of Common Stock pursuant to the agreement of deferral.

(d) A "Stock Unit" means a notional account representing one share of Common Stock. A "Dividend Equivalent Right" means the right to receive the amount of any dividend paid on the share of Common Stock underlying a Stock Unit, which shall be payable in cash or in the form of additional Stock Units.

12. Performance-Based Awards. Certain Benefits granted under the Plan may be granted in a manner such that the Benefits qualify for the performance-based compensation exemption of Section 162(m) of the Code (“Performance-Based Awards”). As determined by the Committee in its sole discretion, either the granting or vesting of such Performance-Based Awards shall be based on achievement of hurdle rates and/or growth rates in one or more business criteria that apply to the individual participant, one or more business units or the Company as a whole. The business criteria shall be as follows, individually or in combination: (i) net earnings; (ii) earnings per share; (iii) net sales growth; (iv) market share; (v) net operating profit; (vi) expense targets; (vii) working capital targets relating to inventory and/or accounts receivable; (viii) operating margin; (ix) return on equity; (x) return on assets; (xi) planning accuracy (as measured by comparing planned results to actual results); (xii) market price per share; and (xiii) total return to stockholders. In addition, Performance Based Awards may include comparisons to the performance of other companies, such performance to be measured by one or more of the foregoing business criteria. With respect to Performance-Based Awards, (i) the Committee shall establish in writing (x) the performance goals applicable to a given period, and such performance goals shall state, in terms of an objective formula or standard, the method for computing the amount of compensation payable to the participant if such performance goals are obtained and (y) the individual employees or class of employees to which such performance goals apply no later than 90 days after the commencement of such period (but in no event after 25% of such period has elapsed) and (ii) no Performance-Based Awards shall be payable to or vest with respect to, as the case may be, any participant for a given period until the Committee certifies in writing that the objective performance goals (and any other material terms) applicable to such period have been satisfied. With respect to any Benefits intended to qualify as Performance-Based Awards, after establishment of a performance goal, the Committee shall not revise such performance goal or increase the amount of compensation payable thereunder (as determined in accordance with Section 162(m) of the Code) upon the attainment of such performance goal. Notwithstanding the preceding sentence, the Committee may reduce or eliminate Benefits payable upon the attainment of such performance goal.

13. Securities Laws. The Committee shall have the power to make each grant under the Plan subject to such conditions as it deems necessary or appropriate to comply with the then-existing requirements of the Securities Act of 1933, as amended, or the Exchange Act, including Rule 16b-3 (or any similar rule) of the Securities and Exchange Commission. Notwithstanding any provision in the Plan or an option document to the contrary, if the Committee determines, in its sole discretion, that issuance of Shares pursuant to the exercise of a Stock Option should be delayed pending registration or qualification under federal or state securities laws or the receipt of a legal opinion that an appropriate exemption from the application of federal or state securities laws is available, the Committee may defer exercise of any Stock Option until such Shares are appropriately registered or qualified or an appropriate legal opinion has been received, as applicable.

14. Foreign Laws. The Committee may grant Benefits to individual participants who are subject to the tax laws of nations other than the United States, which Benefits may have terms and conditions as determined by the Committee as necessary to comply with applicable foreign laws. The Committee may take any action which it deems advisable to obtain approval of such Benefits by the appropriate foreign governmental entity; provided, however, that no such Benefits may be granted pursuant to this Section 14 and no action may be taken which would result in a violation of the Exchange Act, the Code or any other applicable law.

15. Adjustment Provisions; Change in Control.

(a) If there shall be any change in the Common Stock of the Company or the capitalization of the Company through merger, consolidation, reorganization, recapitalization, stock dividend, stock split, reverse stock split, split up, spin-off, combination of shares, exchange of shares, dividend in kind or other like change in capital structure or distribution (other than normal cash dividends) to stockholders of the Company in order to prevent dilution or enlargement of participants' rights under the Plan, the Committee, in its sole discretion, shall adjust, in an equitable manner, as applicable, the number and kind of shares that may be issued under the Plan, the number and kind of shares subject to outstanding Benefits, the exercise price applicable to outstanding Benefits, and the Fair Market Value of the Common Stock and other value determinations applicable to outstanding Benefits; provided, however, that any such arithmetic adjustment to a Performance-Based Award shall not cause the amount of compensation payable thereunder to be increased from what otherwise would have been due upon attainment of the unadjusted award. Appropriate adjustments may also be made by the Committee in the terms of any Benefits under the Plan to reflect such changes or distributions and to modify any other terms of outstanding Benefits on an equitable basis, including modifications of performance targets and changes in the length of performance periods; provided, however, that any such arithmetic adjustment to a Performance-Based Award shall not cause the amount of compensation payable thereunder to be increased from what otherwise would have been due upon attainment of the unadjusted award. In addition, other than with respect to Stock Options, Stock Appreciation Rights, and other awards intended to constitute Performance-Based Awards, the Committee is authorized to make adjustments to the terms and conditions of, and the criteria included in, Benefits in recognition of unusual or nonrecurring events affecting the Company or the financial statements of the Company, or in response to changes in applicable laws, regulations, or accounting principles. Notwithstanding the foregoing, (i) each such adjustment with respect to an Incentive Stock Option shall comply with the rules of Section 424(a) of the Code, and (ii) in no event shall any adjustment be made which would render any Incentive Stock Option granted hereunder other than an incentive stock option for purposes of Section 422 of the Code. The determination of the Committee as to the foregoing adjustments, if any, shall be conclusive and binding on participants under the Plan.

(b) Notwithstanding any other provision of this Plan, if there is a Change in Control of the Company, all then outstanding Stock Options and Stock Appreciation Rights shall immediately vest and become exercisable. For purposes of this Section 15(b), a "Change in Control" of the Company shall be deemed to have occurred upon the earliest of the following events:

(i) Change in Ownership: A change in ownership of the Company occurs on the date that any one person, or more than one person acting as a group, acquires ownership of stock of the Company that, together with stock held by such person or group, constitutes more than 50% of the total fair market value or total voting power of the stock of the Company, excluding the acquisition of additional stock by a person or more than one person acting as a group who is considered to own more than 50% of the total fair market value or total voting power of the stock of the Company.

(ii) Change in Effective Control: A change in effective control of the Company occurs on the date that either:

(A) Any one person, or more than one person acting as a group, acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such person or persons) ownership of stock of the Company possessing 30% or more of the total voting power of the stock of the Company; or

(B) A majority of the members of the Board of Directors of the Company is replaced during any 12-month period by directors whose appointment or election is not endorsed by a majority of the members of the board of directors before the date of the appointment or election; provided, that this paragraph (B) will apply only to the Company if no other corporation is a majority shareholder.

(iii) Change in Ownership of Substantial Assets: A change in the ownership of a substantial portion of the Company's assets occurs on the date that any one person, or more than one person acting as a group, acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such person or persons) assets from the Company that have a total gross fair market value equal to or more than 40% of the total gross fair market value of the assets of the Company immediately before such acquisition or acquisitions. For this purpose, "gross fair market value" means the value of the assets of the Company, or the value of the assets being disposed of, determined without regard to any liabilities associated with such assets.

It is the intent that this definition be construed consistent with the definition of "Change of Control" as defined under Code Section 409A and the applicable treasury regulations, as amended from time to time.

The Committee, in its discretion, may determine that, upon the occurrence of a Change in Control of the Company or the other events specified in Section 15(a), each Stock Option and Stock Appreciation Right outstanding hereunder shall terminate within a specified number of days after notice to the holder, and such holder shall receive, with respect to each share of Common Stock subject to such Stock Option or Stock Appreciation Right, an amount equal to the excess of the Fair Market Value of such shares of Common Stock immediately prior to the occurrence of such Change in Control over the exercise price per share of such Stock Option or Stock Appreciation Right; such amount to be payable in cash, in one or more kinds of property (including the property, if any, payable in the transaction) or in a combination thereof, as the Committee, in its discretion, shall determine. The provisions contained in the preceding sentence shall be inapplicable to a Stock Option or Stock Appreciation Right granted within six (6) months before the occurrence of a Change in Control if the holder of such Stock Option or Stock Appreciation Right is subject to the reporting requirements of Section 16(a) of the Exchange Act and no exception from liability under Section 16(b) of the Exchange Act is otherwise available to such holder.

16. **Nontransferability.** Each Benefit granted under the Plan to a participant shall not be transferable otherwise than by will or the laws of descent and distribution, and shall be exercisable, during the participant's lifetime, only by the participant. In the event of the death of a participant, each Stock Option or Stock Appreciation Right theretofore granted to him or her shall be exercisable during such period after his or her death as the Committee shall in its discretion set forth in such option or right at the date of grant and then only by the executor or administrator of the estate of the deceased participant or the person or persons to whom the deceased participant's rights under the Stock Option or Stock Appreciation Right shall pass by will or the laws of descent and distribution. Notwithstanding the foregoing, at the discretion of the Committee, an award of a Benefit, other than an Incentive Stock Option, to any director, officer or employee of the Company with at least 15 years of service may permit the transferability of a Benefit by such participant solely to the participant's spouse, siblings, parents, children and grandchildren or trusts for the benefit of such persons or partnerships, corporations, limited liability companies or other entities owned solely by such persons, including trusts for such persons, subject to any restriction included in the award of the Benefit.

17. **Other Provisions.** The award of any Benefit under the Plan may also be subject to such other provisions (whether or not applicable to the Benefit awarded to any other participant) as the Committee determines appropriate, including, without limitation, for the installment purchase of Common Stock under Stock Options, for the installment exercise of Stock Appreciation Rights, to assist the participant in financing the acquisition of Common Stock, for the forfeiture of, or restrictions on resale or other disposition of, Common Stock acquired under any form of Benefit, for the acceleration of exercisability or vesting of Benefits in the event of a change in control of the Company, for the payment of the value of Benefits to participants in the event of a change in control of the Company, or understandings or conditions as to the participant's employment in addition to those specifically provided for under the Plan. In addition, the Committee shall have the right to accelerate, in whole or in part, from time to time, conditionally or unconditionally, rights to exercise any Stock Option granted hereunder. The provisions in this Section 17 may be exercised even if such exercise causes an earlier recognition of income to the Participant due to Code Section 409A or otherwise.

18. **Fair Market Value.** For purposes of this Plan and any Benefits awarded hereunder, Fair Market Value shall be (i) the closing price of the Company's Common Stock on the date of calculation (or on the last preceding trading date if Common Stock was not traded on such date) if the Company's Common Stock is readily tradeable on a national securities exchange or other market system, (ii) if the Company's Common Stock is not readily tradeable, Fair Market Value shall mean the amount determined in good faith by the Committee as the fair market value of the Common Stock of the Company and (iii) in connection with a Change in Control of the Company or an event specified in Section 15(a), the value of the consideration paid to stockholders in connection with such Change in Control or event or if no consideration is paid in respect thereof, the amount determined pursuant to clause (i) or (ii), above.

19. **Withholding.** All payments or distributions of Benefits made pursuant to the Plan shall be net of any amounts required to be withheld pursuant to applicable federal, state and local tax withholding requirements. If the Company proposes or is required to distribute Common Stock pursuant to the Plan, it may require the recipient to remit to it or to the corporation that employs such recipient an amount sufficient to satisfy such tax withholding requirements prior to the delivery of any certificates for such Common Stock. In lieu thereof, the Company or the employing corporation shall have the right to withhold the amount of such taxes from any other sums due or to become due from such corporation to the recipient as the Committee shall prescribe. The Committee may, in its discretion and subject to such rules as it may adopt (including any as may be required to satisfy applicable tax and/or non-tax regulatory requirements), permit an optionee or award or right holder to pay all or a portion of the federal, state and local withholding taxes arising in connection with any Benefit consisting of shares of Common Stock by electing to have the Company withhold shares of Common Stock having a Fair Market Value equal to the amount of tax to be withheld, such tax calculated at rates required by statute or regulation.

20. **Tenure.** A participant's right, if any, to continue to serve the Company or any of its subsidiaries or affiliates as an officer, employee, or otherwise, shall not be enlarged or otherwise affected by his or her designation as a participant under the Plan.

21. **Unfunded Plan.** Participants shall have no right, title, or interest whatsoever in or to any investments which the Company may make to aid it in meeting its obligations under the Plan. Nothing contained in the Plan, and no action taken pursuant to its provisions, shall create or be construed to create a trust of any kind, or a fiduciary relationship between the Company and any participant, beneficiary, legal representative or any other person. To the extent that any person acquires a right to receive payments from the Company under the Plan, such right shall be no greater than the right of an unsecured general creditor of the Company. All payments to be made hereunder shall be paid from the general funds of the Company and no special or separate fund shall be established and no segregation of assets shall be made to assure payment of such amounts except as expressly set forth in the Plan. The Plan is not intended to be subject to the Employee Retirement Income Security Act of 1974, as amended.

22. **No Fractional Shares.** No fractional shares of Common Stock shall be issued or delivered pursuant to the Plan or any Benefit. The Committee shall determine whether cash, or Benefits, or other property shall be issued or paid in lieu of fractional shares or whether such fractional shares or any rights thereto shall be forfeited or otherwise eliminated.

23. **Duration, Amendment and Termination.** No Benefit shall be granted more than ten years after the Effective Date. The Committee may amend the Plan from time to time or suspend or terminate the Plan at any time. Nevertheless, if the Plan has been previously approved by the Company's stockholders, the Committee may not, without obtaining approval within twelve months before or after such action by such vote of the Company's stockholders as may be required, amend the Plan if such amendment would: (i) disqualify any Incentive Stock Options granted under the Plan; (ii) increase the aggregate number of shares of Common Stock that may be delivered through Stock Options under the Plan; (iii) increase either of the maximum amounts which can be paid to an individual participant under the Plan as set forth in Section 5 hereof; (iv) change the types of business criteria on which Performance-Based Awards are to be based under the Plan; or (v) modify the requirements as to eligibility for participation in the Plan. The Committee may amend the terms of any Benefit theretofore granted, prospectively or retroactively, but no such amendment shall impair the rights of any participant without his consent. In its sole discretion, the Committee may reduce the exercise price for any or all outstanding Stock Options or Stock Appreciation Rights, by repricing or replacing or offering to replace such Benefits, at any time and on any basis it believes is appropriate and consistent with the Plan's purposes.

24. **Governing Law.** This Plan, Benefits granted hereunder and actions taken in connection herewith shall be governed and construed in accordance with the laws of the State of Delaware (regardless of the law that might otherwise govern under applicable Delaware principles of conflict of laws).

25. **Effective Date.**

(a) The Plan shall be effective as of July 15, 2010, the date on which the Plan was adopted by the Board of Directors (the "Effective Date").

(b) This Plan shall terminate on July 14, 2020 (unless sooner terminated by the Committee).

<Date>

<Name of Grantee>
c/o CopyTele, Inc.
900 Walt Whitman Road
Melville, New York 11747

RE: Grant of Non-Qualified Stock Option To Employees

Dear <Name of Grantee>:

On July 15, 2010, the Board of Directors of CopyTele, Inc. (the "Company") adopted the CopyTele, Inc. 2010 Share Incentive Plan (the "Plan"). The Plan provides for the grant of certain rights, options and other awards to non-employee directors of the Company and certain key employees and consultants of the Company and its subsidiaries. A copy of the Plan is annexed hereto and shall be deemed a part hereof as if fully set forth herein. Unless the context otherwise requires, all terms defined in the Plan shall have the same meaning when used herein.

1. The Company hereby grants to you, as a matter of separate inducement and not in lieu of any salary or other compensation for your services, the right and option to purchase, in accordance with the terms and conditions set forth in the Plan, but subject to the limitations set forth herein and in the Plan, an aggregate of _____ shares of Common Stock of the Company at a price of \$_____ per share, such option price being, in the judgment of the Stock Option Committee, not less than one hundred percent (100%) of the fair market value of such share at the date hereof (the "Non-Qualified Option").

Notwithstanding, the foregoing, it is specifically understood by you that no warranty is made to you with respect to the value of such shares. The Non-Qualified Option is not intended to qualify as an "incentive stock option" within the meaning of Section 422 of the Internal Revenue Code of 1986, as amended. The Non-Qualified Option shall be referred to herein as the "Option".

2. Subject to the provisions and limitations of section 6 of the Plan, the Option may be exercised by you, on a cumulative basis, during a period of ten years from the date hereof and terminating at the close of business on _____.

3. In no event shall you exercise the Option for a fraction of a share or for less than one hundred (100) shares (unless the number purchased is the total balance for which the Option is then exercisable).

4. The unexercised portion of the Option granted herein will automatically and without notice terminate and become null and void upon the expiration of ten years from the date of the grant of the Option. In the event your service as an employee of the Company is terminated prior to the expiration of ten (10) years from the date hereof, the Option shall, to the extent not theretofore exercised, terminate and become null and void, except to the extent described below. None of the events described below shall extend the period of exercisability of the Option beyond ten (10) years from the date hereof:

- (a) if you die, the Option shall, to the extent not theretofore exercised, remain exercisable for five (5) years after your death, by your legatee, distributee, guardian or legal or personal representative.
- (b) if your employment is terminated by reason of your disability (as defined in the plan), voluntary retirement or dismissal by the Company other than for cause as defined in the Plan, provided you are otherwise eligible, the Option shall, to the extent not theretofore exercised, remain exercisable for five (5) years after the date of such termination of employment in the case of termination by reason of retirement or dismissal other than for cause and five (5) years after the date of termination of employment in the case of termination by reason of disability; and
- (c) if you die during the five (5) year period specified in clause (b) above and at a time when you were entitled to exercise the Option, your legal representative, or such person who acquired the Option by reason of your death may, not later than five (5) years from your date of death, exercise the Option, to the extent not theretofore exercised, in respect of any or all of such number of shares subject to the Option.

5. The Option is not transferable by you otherwise than by will or the laws of descent and distribution, and is exercisable, during your lifetime, only by you. The Option may not be pledged or hypothecated in any way (whether by operation of law or otherwise) and shall not be subject to execution, attachment or similar proceeding. Any attempted assignment, pledge, hypothecation or other disposition of the Option contrary to the provisions hereof, and the levy of any attachment or similar proceeding upon the Option, shall be null and void and without effect.

6. Any exercise of the Option shall be in writing addressed to the Corporate Secretary of the Company at the principal place of business of the Company, specifying the Option being exercised and the number of shares to be purchased. The purchase price for the shares being purchased shall be delivered to the Corporate Secretary within five days of the time such writing is so delivered.

7. If the Company, in its sole discretion, shall determine that it is necessary, to comply with applicable securities laws, the certificate or certificates representing the shares purchased pursuant to the exercise of the Option shall bear an appropriate legend in form and substance, as determined by the Company, giving notice of applicable restrictions on transfer under or in respect of such laws.

8. You hereby covenant and agree with the Company that if, at the time of exercise of the Option, there does not exist a Registration Statement on an appropriate form under the Securities Act of 1933, as amended (the "Act"), which Registration Statement shall have become effective and shall include a prospectus which is current with respect to the shares subject to the Option, you shall make the representations (i) that you are purchasing the shares for your own account and not with a view to the resale or distribution thereof, (ii) that any subsequent offer for sale or sale of any such shares shall be made either pursuant to (x) a Registration Statement on an appropriate form under the Act, which Registration Statement shall become effective and shall be current with respect to the shares being offered and sold, or (y) a specific exemption from the registration requirements of the Act, but in claiming such exemption, you shall, prior to any offer for sale or sale of such shares, obtain a favorable written opinion from counsel for or approved by the Company as to the applicability of such exemption and (iii) that you agree that the certificates evidencing such shares shall bear a legend to the effect of the foregoing.

By your acceptance hereof, you agree to reimburse the Company for any taxes required by any government to be withheld or otherwise deducted and paid by the Company in respect of the issuance or disposition of the shares subject to the Non-Qualified Option. In lieu thereof, the Company shall have the right to withhold the amount of such taxes from any other sums due or to become due from the Company to you. The Company may, in its discretion, hold the stock certificate to which you are entitled upon the exercise of the Option as security for the payment of such withholding tax liability, until cash sufficient to pay that liability has been accumulated. In addition, at any time that the Company becomes subject to a withholding obligation under applicable law with respect to the exercise of a Non-Qualified Option (the "Tax Date") you may elect to satisfy, in whole or in part, your related personal tax liabilities (an "Election") by (a) directing the Company to withhold from shares issuable in the related exercise either a specified number of shares or shares having a specified value (in each case not in excess of the related personal tax liabilities), (b) tendering shares previously issued pursuant to the exercise of the Option or other shares of the Company's common stock owned by you, or (c) combining any or all of the foregoing options in any fashion. An Election shall be irrevocable. The withheld shares and other shares tendered in payment shall be valued at their fair market value on the Tax Date. The Stock Option Committee may disapprove of any Election, suspend or terminate the right to make Elections, provide that the right to make Elections shall not apply to particular shares or exercises, or impose additional conditions or restrictions on the right to make an Election as it shall deem appropriate. In addition, you authorize the Company to effect any such withholding upon exercise of a Non-Qualified Option by retention of shares issuable upon such exercise having a fair market value at the date of exercise which is equal to the amount to be withheld; provided, however, that the Company is not authorized to effect such withholding without your prior written consent if such withholding would subject you to liability under Section 16(b) of the Securities Exchange Act of 1934.

This agreement is subject to all terms, conditions, limitations and restrictions contained in the Plan, which shall be controlling in the event of any conflicting or inconsistent provisions.

This agreement is not a contract of employment and the terms of your employment shall not be affected hereby or by any agreement referred to herein except to the extent specifically so provided herein or therein. Nothing herein shall be construed to impose any obligation on the Company to continue your employment, and it shall not impose any obligation on your part to remain in the employ of the Company thereof.

Please indicate your acceptance of all the terms and conditions of the Option and the Plan by signing and returning a copy of this letter.

Very truly yours,
COPYTELE, INC.

By: _____

ACCEPTED:

Signature of Employee

Name of Employee – Please Print

Date: _____

<Date>

<Name of Grantee>
c/o CopyTele, Inc.
900 Walt Whitman Road
Melville, New York 11747

RE: Grant of Non-Qualified Option To Director Participant

Dear <Name of Grantee>:

On July 15, 2010, the Board of Directors of CopyTele, Inc. (the "Company") adopted the CopyTele, Inc. 2010 Share Incentive Plan (the "Plan"). The Plan provides for the automatic grant of non-qualified stock options to non-employee directors ("Director Participant") of the Company. Upon your election to the Board of Directors you were granted an Option (as defined below) to purchase _____ shares of Common Stock, par value \$.01 per share ("Common Stock"), of the Company on the date of the Annual Meeting of Shareholders of the Company at which you were elected. A copy of the Plan is annexed hereto and shall be deemed a part hereof as if fully set forth herein. Unless the context otherwise requires, all terms defined in the Plan shall have the same meaning when used herein.

1. The Company hereby grants to you, as a matter of separate inducement and not in lieu of any salary or other compensation for your services, the right and option (the "Option") to purchase, in accordance with the terms and conditions set forth in the Plan, but subject to the limitations set forth herein and in the Plan, an aggregate of _____ shares of Common Stock of the Company at a price of \$_____ per share, such option price being, in the judgment of the Stock Option Committee, not less than one hundred percent (100%) of the fair market value of such share at the date hereof.

Notwithstanding, the foregoing, it is specifically understood by you that no warranty is made to you with respect to the value of such shares. The Non-Qualified Option is not intended to qualify as an "incentive stock option" within the meaning of Section 422 of the Internal Revenue Code of 1986, as amended. The Non-Qualified Option shall be referred to herein as the "Option".

2. Subject to the provisions and limitations of section 7 of the Plan, the Option may be exercised by you, on a cumulative basis, during a period of four (4) years commencing one (1) year from the date hereof and terminating at the close of business on _____.

3. In no event shall you exercise the Option for a fraction of a share or for less than one hundred (100) shares (unless the number purchased is the total balance for which the Option is then exercisable).

4. The unexercised portion of the Option granted herein will automatically and without notice terminate and become null and void upon the expiration of five (5) years from the date of the grant of the Option. In the event your service as director of the Company is terminated prior to the expiration of five (5) years from the date hereof, this Option shall, to the extent not theretofore exercised, terminate and become null and void, except to the extent described below; provided, however, that none of the events described below shall extend the period of exercisability of the Option beyond five (5) years from the date hereof:

(a) if you die, the Option shall, to the extent not theretofore exercised, remain exercisable for five (5) years after your death, by your legatee, distributee, guardian or legal or personal representative.

(b) if your directorship is terminated by reason of your disability, voluntary retirement or failure of the Company to retain or nominate you for re-election, provided you are otherwise eligible, unless due to any act of fraud, embezzlement or the like, while you are entitled to exercise the Option, the Option shall, to the extent not theretofore exercised, remain exercisable for five (5) years after the date of such termination of service in the case of termination by reason of voluntary retirement or failure of the Company to retain or nominate you for re-election and five (5) years after the date of termination of service in the case of termination by reason of disability; and

(c) if you die during the five (5) year period specified in clause (b) above and at a time when you were entitled to exercise the Option, your legal representative, or such person who acquired the Option by reason of your death may, not later than five (5) years from your date of death, exercise the Option, to the extent not theretofore exercised, in respect of any or all of such number of shares subject to the Option.

5. The Option is transferable by will or the laws of descent and distribution. The Option may be transferred by you solely to your spouse, siblings, parents, children and grandchildren or trusts for the benefit of such persons or partnerships, corporations, limited liabilities companies or other entities owned solely by such persons, including trusts for such persons, subject to any restriction included in the award of the Option. The Option may not be pledged or hypothecated in any way (whether by operation of law or otherwise) and shall not be subject to execution, attachment or similar proceeding. Any attempted assignment, pledge, hypothecation or other disposition of the Option contrary to the provisions hereof, and the levy of any attachment or similar proceeding upon the Option, shall be null and void and without effect.

6. Any exercise of the Option shall be in writing addressed to the Corporate Secretary of the Company at the principal place of business of the Company, specifying the number of shares to be purchased. The purchase price for the shares being purchased shall be delivered to the Corporate Secretary at the time such writing is so delivered.

7. If the Company, in its sole discretion, shall determine that it is necessary, to comply with applicable securities laws, the certificate or certificates representing the shares purchased pursuant to the exercise of the Option shall bear an appropriate legend in form and substance, as determined by the Company, giving notice of applicable restrictions on transfer under or in respect of such laws.

8. You hereby covenant and agree with the Company that if, at the time of exercise of the Option, there does not exist a Registration Statement on an appropriate form under the Securities Act of 1933, as amended (the "Act"), which Registration Statement shall have become effective and shall include a prospectus which is current with respect to the shares subject to the Option, (i) that you are purchasing the shares for your own account and not with a view to the resale or distribution thereof, (ii) that any subsequent offer for sale or sale of any such shares shall be made either pursuant to (x) a Registration Statement on an appropriate form under the Act, which Registration Statement shall have become effective and shall be current with respect to the shares being offered and sold, or (y) a specific exemption from the registration requirements of the Act, but in claiming such exemption, you shall, prior to any offer for sale or sale of such shares, obtain a favorable written opinion from counsel for or approved by the Company as to the applicability of such exemption and (iii) that you agree that the certificates evidencing such shares shall bear a legend to the effect of the foregoing.

This agreement is subject to all terms, conditions, limitations and restrictions contained in the Plan, which shall be controlling in the event of any conflicting or inconsistent provisions.

By your acceptance hereof, you agree to reimburse the Company for any taxes required by any government to be withheld or otherwise deducted and paid by the Company in respect of the issuance or disposition of the shares subject to the Option. In lieu thereof, the Company shall have the right to withhold the amount of such taxes from any other sums due or to become due from the Company to you. The Company may, in its discretion, hold the stock certificate to which you are entitled upon the exercise of the Option as security for the payment of such withholding tax liability, until cash sufficient to pay that liability has been accumulated. In addition, at any time that the Company becomes subject to a withholding obligation under applicable law with respect to the exercise of the Option (the "Tax Date") you may elect to satisfy, in whole or in part, your related personal tax liabilities (an "Election") by (a) directing the Company to withhold from shares issuable in the related exercise either a specified number of shares or shares having a specified value (in each case not in excess of the related personal tax liabilities), (b) tendering shares previously issued pursuant to the exercise of the Option or other shares of the Company's common stock owned by you, or (c) combining any or all of the foregoing options in any fashion. An Election shall be irrevocable. The withheld shares and other shares tendered in payment shall be valued at their fair market value on the Tax Date. The Company may disapprove of any Election, suspend or terminate the right to make Elections, provide that the right to make Elections shall not apply to particular shares or exercises, or impose additional conditions or restrictions on the right to make an Election as it shall deem appropriate. In addition, you authorize the Company to effect any such withholding upon exercise of the Option by retention of shares issuable upon such exercise having a fair market value at the date of exercise which is equal to the amount to be withheld; provided, however, that the Company is not authorized to effect such withholding without your prior written consent if such withholding would subject you to liability under Section 16(b) of the Securities Exchange Act of 1934.

Please indicate your acceptance of all the terms and conditions of the Option and the Plan by signing and returning a copy of this letter.

Very truly yours,
COPYTELE, INC.

By: _____

ACCEPTED:

Signature of Director

Name of Director

Date: _____

COPYTELE, INC.
2010 SHARE INCENTIVE PLAN
STOCK AWARD AGREEMENT

THIS AGREEMENT, dated _____ is made among CopyTele, Inc., a Delaware corporation (the "Company") and <Name of Participant> (the "Participant").

WITNESSETH:

1. **GRANT OF AWARD.** Pursuant to the provisions of the CopyTele, Inc. 2010 Share Incentive Plan, as the same may be amended, modified and supplemented (the "Plan"), the Company hereby grants to the Participant as of the day and year first above written, subject to the terms and conditions of the Plan and subject further to the terms and conditions herein set forth, an award of _____ shares of common stock, par value \$.01 per share, of the Company (the "Stock").

2. **WITHHOLDING.** The Participant acknowledges that the Company will have certain withholding obligations upon the issuance or delivery of any stock certificates representing shares of Stock awarded pursuant to this Agreement. In the event the total amount otherwise payable by the Company to the Participant is insufficient to provide the Company with all taxes which it is required to so withhold, the Participant shall pay to the Company such amounts as the Company is required to withhold in excess of such total amount otherwise payable to the Participant, as and when required by law.

3. **ADDITIONAL TERMS.**

(a) **Construction.** The Plan and this Agreement will be construed by and administered under the supervision of the Committee (as defined in the Plan), and all determinations of the Committee will be final and binding on the Participant.

(b) **Dilution.** Nothing in the Plan or this Agreement will restrict or limit in any way the right of the Board of Directors of the Company to issue or sell stock of the Company (or securities convertible into stock of the Company) on such terms and conditions as it deems to be in the best interests of the Company, including, without limitation, stock and securities issued or sold in connection with mergers and acquisitions, stock issued or sold in connection with any stock option or similar plan, and stock issued or contributed to any qualified stock bonus or employee stock ownership plan.

(c) **Bound by Plan.** The Participant hereby agrees to be bound by all of the terms and provisions of the Plan, a copy of which is available to the Participant upon request.

(d) Notices. Any notice hereunder to the Company or the Committee shall be addressed to CopyTele, Inc., 900 Walt Whitman Road, Melville, New York, 11747, Attention: Chief Financial Officer.

(e) Counterparts. This Agreement may be executed in counterparts each of which taken together shall constitute one and the same instrument.

(f) Governing Law. This Agreement, which constitutes the entire agreement of the parties with respect to the Stock, shall be governed by, and construed and enforced in accordance with, the laws of the State of New York without regard to principles of conflicts of law.

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed by a duly authorized officer of the Company and the Participant has executed this Agreement, both as of the day and year first above written.

COPYTELE, INC.

By: _____

ACCEPTED:

Signature of Participant

Name of Participant: Please Print

**Amendment No. 6 to the
CopyTele, Inc. 2003 Share Incentive Plan**

Amended by the Company's Board of Directors on July 15, 2010

Effective July 15, 2010, the following sections of the Company's 2003 Share Incentive Plan are hereby amended to read in their entirety as follows:

Section 6(e)(i) and (ii) is hereby amended to read in its entirety as follows:

"(e) **Post-Employment Exercises.** Upon termination of employment of any employee, termination of service on the Board of Directors of a Director Participant or of the continuing services of any consultant with the Company and all subsidiary corporations and parent corporations of the Company, any Stock Option previously granted to the employee, Director Participant or consultant, unless otherwise specified by the Committee in the Stock Option Agreement, shall, to the extent not theretofore exercised, terminate and become null and void; provided, however, that:

(i) if the employee, Director Participant or consultant shall die while in the employ or service of such corporation or in the case of an Incentive Stock Option granted to an employee, die during the three (3) month period following termination of employment or, in the case of a Nonqualified Stock Option granted to an employee, Director Participant or consultant, during the five (5) year period, following termination of employment or service whichever is applicable, and at a time when such employee, Director Participant or consultant was entitled to exercise a Stock Option as herein provided, the legal representative of such employee, Director Participant or consultant, or such person who acquired such Stock Option by bequest or inheritance or by reason of the death of the employee, Director Participant or consultant, may, not later than five (5) years from the date of death, exercise such Stock Option, to the extent not theretofore exercised, in respect of any or all of such number of shares of Common Stock as specified by the Committee in such Stock Option; provided, however, that in the case of an Incentive Stock Option granted to an employee who dies during the three (3) month period following termination of employment, such Stock Option shall become a Nonqualified Stock Option after the three (3) month period following termination of employment; and

(ii) if the employment of any employee or the continuing services of any Director Participant or consultant to whom such Stock Option shall have been granted shall terminate by reason of the employee's, Director Participant's or consultant's retirement (at such age or upon such conditions as shall be specified by the Committee), disability (as described in Section 22(e)(3) of the Code) or dismissal by the employer other than for cause (as defined below), and while such employee, Director Participant or consultant is entitled to exercise such Stock Option as herein provided, such employee, Director Participant or consultant shall have the right to exercise such Stock Option so granted in respect of any or all of such number of shares as specified by the Committee in such Stock Option, at any time up to and including (x) five (5) years after the date of such termination of employment or services in the case of termination by reason of retirement, disability (as described in Section 22(e)(3) of the Code) or dismissal other than for cause, provided, however, (y) with respect to an Incentive Stock Option, such Incentive Stock Option shall convert to a Nonqualified Stock Option after (A) one (1) year after the date of termination of employment by reason of disability (as described in Section 22(e)(3) of the Code), and (B) three (3) months after the date of termination of employment due to retirement or dismissal other than for cause."

Section 14 is hereby amended to read in its entirety as follows:

“14. **Director Participant’s Termination.** If a Director Participant’s service as a director of the Company terminates, any Nonqualified Stock Option previously granted to such Director Participant shall, to the extent not theretofore exercised, terminate and become null and void; provided, however, that:

(a) if a Director Participant holding an outstanding Nonqualified Stock Option dies, such Nonqualified Stock Option shall, to the extent not theretofore exercised, remain exercisable for five (5) years after such Director Participant’s death, by such Director Participant’s legatee, distributee, guardian or legal or personal representative; and

(b) if the service of a Director Participant to whom such Nonqualified Stock Option shall have been granted shall terminate by reason of (i) such Director Participant’s disability (as described in Section 22(e)(3) of the Code), (ii) voluntary retirement from service as a director of the Company, or (iii) failure of the Company to retain or nominate for re-election such Director Participant who is otherwise eligible, unless due to any act of (A) fraud or intentional misrepresentation, or (B) embezzlement, misappropriation or conversion of assets or opportunities of the Company or any direct or indirect subsidiary of the Company, while such Director Participant is entitled to exercise such Nonqualified Stock Option as herein provided, such Director Participant shall have the right to exercise such Nonqualified Stock Option so granted in respect of any or all of such number of shares of Common Stock subject to such Nonqualified Stock Option at any time up to and including (X) five (5) years after the date of such termination of service due to failure of the Company to retain or nominate for re-election such Director Participant who is otherwise eligible, unless due to any act of (1) fraud or intentional misrepresentation, or (2) embezzlement, misappropriation or conversion of assets or opportunities of the Company or any direct or indirect subsidiary of the Company, and (Y) five (5) years after the date of termination of service in the case of termination of service by reason of voluntary retirement or disability; and

(c) if the Director Participant shall die during the five (5) year period, whichever is applicable, specified in clause (ii) above and at a time when such Director Participant was entitled to exercise a Nonqualified Stock Option as herein provided, the legal representative of such Director Participant, or such person who acquired such Nonqualified Stock Option by bequest or inheritance or by reason of the death of the Director Participant may, not later than five (5) years from the date of death, exercise such Nonqualified Stock Option, to the extent not theretofore exercised, in respect of any or all of such number of Shares subject to such Nonqualified Stock Option.

In no event, however, shall a Director Participant be entitled to exercise any Stock Option issued under this Section 14 after the expiration of the period of exercisability of such Stock Option, as specified therein.”

AMENDMENT OF OPTION AGREEMENTS

This AMENDMENT OF OPTION AGREEMENTS (this "Amendment") is made as of <INSERT DATE>, between <INSERT OPTION HOLDER NAME> ("Optionholder") and CopyTele, Inc. (the "Company").

WHEREAS, the Company has granted Optionholder certain options (the "Options") to purchase its common stock pursuant to the CopyTele, Inc. 2000 Share Incentive Plan and the CopyTele, Inc. 2003 Share Incentive Plan, which grants have been formalized in the Option Agreements listed on *Exhibit A* (the "Option Agreements"); and

WHEREAS, the parties hereto desire to amend the Option Agreements to extend, in certain circumstances, the exercise period of the Options;

NOW, THEREFORE, in consideration of the foregoing and the mutual promises made herein, the parties hereto agree as follows:

1. Section 4(a) of each of the Option Agreements is hereby amended by deleting Section 4(a) in its entirety and by substituting in lieu thereof the following Section 4(a):

"(a) if you die, the Option shall, to the extent not theretofore exercised, remain exercisable for five (5) years after your death, by your legatee, distributee, guardian or legal or personal representative."

2. Section 4(b) of each of the Option Agreements is hereby amended by deleting Section 4(b) in its entirety and by substituting in lieu thereof the following Section 4(b):

"(b) if your employment is terminated by reason of your disability, voluntary retirement or dismissal by the Company other than for cause as defined in the Plan, provided you are otherwise eligible, the Option shall, to the extent not theretofore exercised, remain exercisable for five (5) years after the date of such termination of employment in the case of termination by reason of retirement, disability or dismissal other than for cause; and"

3. Section 4(c) of each of the Option Agreements is hereby amended by deleting Section 4(c) in its entirety and by substituting in lieu thereof the following Section 4(c):

"(c) if you die during the five (5) year period specified in clause (b) above and at a time when you were entitled to exercise the Option, your legal representative, or such person who acquired the Option by reason of your death may, not later than five (5) years from your date of death, exercise the Option, to the extent not theretofore exercised, in respect of any or all of such number of shares subject to the Option."

2. The parties acknowledge and agree that all of the terms, provisions, covenants and conditions of the Option Agreements shall hereafter continue in full force and effect in accordance with the terms thereof, except to the extent expressly modified, amended or revised herein.

3. This Amendment shall be governed by and construed in accordance with the laws of the State of Delaware, without giving effect to conflict of laws.

IN WITNESS WHEREOF, the parties have duly executed this Agreement as of the date first written above.

<INSERT OPTION HOLDER NAME>

COPYTELE, INC.

By _____
Name:
Title:

Exhibit A

Option Agreements

[list option agreements]

AMENDMENT OF OPTION AGREEMENTS

This AMENDMENT OF OPTION AGREEMENTS (this "Amendment") is made as of <INSERT DATE>, between <INSERT OPTION HOLDER NAME> ("Optionholder") and CopyTele, Inc. (the "Company").

WHEREAS, the Company has granted Optionholder certain options (the "Options") to purchase its common stock pursuant to the CopyTele, Inc. 2000 Share Incentive Plan and the CopyTele, Inc. 2003 Share Incentive Plan, which grants have been formalized in the Option Agreements listed on *Exhibit A* (the "Option Agreements"); and

WHEREAS, the parties hereto desire to amend the Option Agreements to extend, in certain circumstances, the exercise period of the Options;

NOW, THEREFORE, in consideration of the foregoing and the mutual promises made herein, the parties hereto agree as follows:

1. Section 4(a) of each of the Option Agreements is hereby amended by deleting Section 4(a) in its entirety and by substituting in lieu thereof the following Section 4(a):

"(a) if you die, the Option shall, to the extent not theretofore exercised, remain exercisable for five (5) years after your death, by your legatee, distributee, guardian or legal or personal representative."

2. Section 4(b) of each of the Option Agreements is hereby amended by deleting Section 4(b) in its entirety and by substituting in lieu thereof the following Section 4(b):

"(b) if your directorship is terminated by reason of your disability, voluntary retirement or failure of the Company to retain or nominate you for re-election, provided you are otherwise eligible, unless due to any act of fraud, embezzlement or the like, while you are entitled to exercise the Option, the Option shall, to the extent not theretofore exercised, remain exercisable for five (5) years after the date of such termination of service due to failure of the Company to retain or nominate you for re-election and five (5) years after the date of termination of service in the case of termination of service by reason of voluntary retirement or disability; and"

3. Section 4(c) of each of the Option Agreements is hereby amended by deleting Section 4(c) in its entirety and by substituting in lieu thereof the following Section 4(c):

"(c) if you die during the five (5) year period specified in clause (b) above and at a time when you were entitled to exercise the Option, your legal representative, or such person who acquired the Option by reason of your death may, not later than five (5) years from your date of death, exercise the Option, to the extent not theretofore exercised, in respect of any or all of such number of shares subject to the Option."

2. The parties acknowledge and agree that all of the terms, provisions, covenants and conditions of the Option Agreements shall hereafter continue in full force and effect in accordance with the terms thereof, except to the extent expressly modified, amended or revised herein.

3. This Amendment shall be governed by and construed in accordance with the laws of the State of Delaware, without giving effect to conflict of laws.

IN WITNESS WHEREOF, the parties have duly executed this Agreement as of the date first written above.

<INSERT OPTION HOLDER NAME>

COPYTELE, INC.

By _____
Name:
Title:

Exhibit A

Option Agreements

[list option agreements]