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

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**FORM 8-K**

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**CURRENT REPORT**  
Pursuant to Section 13 or 15(d)  
of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): October 5, 2015

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**ORION ENERGY SYSTEMS, INC.**

(Exact name of registrant as specified in its charter)

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**Wisconsin**  
(State or other jurisdiction  
of incorporation)

**01-33887**  
(Commission  
File Number)

**39-1847269**  
(IRS Employer  
Identification No.)

**2210 Woodland Drive, Manitowoc, Wisconsin**  
(Address of principal executive offices, including zip code)

**(920) 892-9340**  
(Registrant's telephone number, including area code)

**Not Applicable**  
(Former name or former address, if changed since last report)

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.**

On October 5, 2015, Orion Energy Systems, Inc. (the “Company”) announced the appointment of William T. Hull as the Company’s new Chief Financial Officer. In connection with the appointment of Mr. Hull, Scott R. Jensen will continue with the Company and assume the role of the Company’s Controller and Vice President effective October 5, 2015.

Mr. Hull, age 57, previously served as an executive of RTI International Metals, Inc., a formerly NYSE listed producer and global supplier of titanium mill products, and a manufacturer of fabricated titanium and specialty metal components, serving most recently as Senior Vice President and Chief Risk Officer since July 2014 and, prior to that time, serving as Senior Vice President and Chief Financial Officer since April 2007 and as Vice President and Chief Accounting Officer since August 2005. Prior to joining RTI International Metals, Inc. in 2005, Mr. Hull served as Corporate Controller of Stoneridge, Inc., a NYSE listed global designer and manufacturer of highly engineered electrical and electronic components, modules and systems for the commercial vehicle, automotive, agricultural and off-highway vehicle markets, where he was employed since 1986. Mr. Hull is a Certified Public Accountant.

In connection with Mr. Hull’s appointment, the Company entered into an employment agreement with Mr. Hull for an initial term through March 31, 2017 pursuant to which he was provided with the following compensation arrangements: (i) an initial annual base salary of \$315,000; (ii) an initial sign-on bonus of \$50,000 payable in shares of common stock based on the Company’s closing share price on October 5, 2015 (subject to repayment if his employment is terminated for “cause” or for “good reason” before October 5, 2016); (iii) a grant of 82,906 shares of restricted stock vesting annually pro rata over a three-year period; (iv) a long-term cash sign-on bonus of \$78,750 due within 45 days of March 31, 2016, provided that Mr. Hull remains an employee of the Company (subject to repayment if his employment is terminated for “cause” or for “good reason” before the one-year anniversary of the date of payment); (v) an automobile allowance of \$1,000 per month; and (vi) the Company’s payment of up to \$50,000 in relocation related expenses (subject to repayment if his employment is terminated for “cause” or for “good reason” before October 5, 2016). If Mr. Hull’s employment is terminated without “cause” or for “good reason” prior to the end of the employment period, he will be entitled to a lump sum severance benefit equal the sum of his base salary (which increases to two times his base salary if the termination occurs after a “change of control”) plus the average of the prior three years’ bonuses (excluding any sign-on bonuses); a pro rata bonus for the year of the termination; and COBRA premiums at the active employee rate for the duration of the executive’s COBRA continuation coverage period. To receive these benefits, Mr. Hull must execute a general release of claims. A copy of the employment agreement is attached as Exhibit 10.1 hereto, which is incorporated by reference herein.

**Item 7.01. Regulation FD Disclosure.**

On October 5, 2015, the Company issued a press release announcing the appointments described above in Item 5.02. The Company is furnishing a copy of such press release as Exhibit 99.1 hereto, which is incorporated by reference herein.

**Item 9.01(d). Financial Statements and Exhibits.**

*Exhibit 10.1* Executive Employment and Severance Agreement by and between Orion Energy Systems, Inc. and William T. Hull.

*Exhibit 99.1* Press Release of Orion Energy Systems, Inc.

**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.

**ORION ENERGY SYSTEMS, INC.**

Date: October 5, 2015

By: /s/ John H. Scribante

John H. Scribante

Chief Executive Officer

Name of Executive:	<b>William T. Hull</b>
Position:	Chief Financial Officer
Fiscal Year 2016 Base Salary:	\$315,000
Initial Equity Grant:	82,906 restricted shares (subject to the alternative described below), 1/3 vesting per year
Effective Date:	October 5, 2015
Initial Term:	Effective Date through March 31, 2017
Renewal Periods are:	1 Year
Post-Change of Control Renewal Period is:	2 Years
Severance Multiplier is:	1x
Post-Change of Control Severance Multiplier is:	2x

#### **EXECUTIVE EMPLOYMENT AND SEVERANCE AGREEMENT**

This Agreement ("Agreement") is between the individual named above ("Executive"), and Orion Energy Systems, Inc. ("Orion") effective as of the date set forth above ("Effective Date").

**WHEREAS**, Orion desires to employ Executive (by itself or through one of its affiliates, and "Orion" shall be deemed to include any such affiliate, if applicable, when used herein), and Executive desires to be employed by Orion under the terms and conditions set forth herein.

**NOW, THEREFORE**, for good and valuable consideration, the parties agree as follows:

1. **Effective Date; Term.** This Agreement shall become effective on the Effective Date and continue until the end of the initial term set forth above ("Initial Term"). The employment status of the Executive will be reviewed by Orion prior to the end of the Initial Term (and the end of any subsequent renewal period term thereafter). Upon such review, Orion may choose not to extend Executive's employment under this Agreement for an additional renewal period term as set forth above and, upon such a determination, shall provide written notice to such effect to Executive prior to the end of the Initial Term (or the end of any subsequent renewal period term thereafter). If Orion does not provide Executive with such notice of non-renewal prior to the end of the Initial Term (or the end of any subsequent renewal period term), then the term of this Agreement shall be extended for the renewal period set forth above. Notwithstanding the foregoing, if a Change of Control occurs prior to the end of the Initial Term (or the end of any subsequent renewal period term), this Agreement and the Initial Term (or the applicable subsequent renewal period term) shall be automatically extended for the post-Change of Control renewal period set forth above beginning on the date of the Change of Control. Expiration of this Agreement will not affect the rights or obligations of the parties hereunder arising out of, or relating to circumstances occurring prior to the expiration of this Agreement, which rights and obligations will survive the expiration of this Agreement.

2. **Definitions.** For purposes of this Agreement, the following terms shall have the meanings ascribed to them:

(a) “**Accrued Benefits**” shall mean, as of the Termination Date, the sum of: (i) Executive’s Base Salary earned but not paid for the time period ending with the Termination Date; (ii) any other earned but unpaid amounts as of the Termination Date, and (iii) any other payments or benefits to be provided to Executive by Orion pursuant to any employee benefit plans or arrangements adopted by Orion, to the extent such amounts are due from Orion.

(b) “**Base Salary**” shall mean the Executive’s annual base salary with Orion as in effect from time to time beginning, with the initial fiscal year 2016 base salary set forth above.

(c) “**Board**” shall mean the board of directors of Orion or a committee of such Board authorized to act on its behalf in certain circumstances, including the Compensation Committee of the Board.

(d) “**Cause**” shall mean a finding by Orion that (i) Executive has failed, neglected, or refused to perform his employment duties or achieve his goals and objectives as provided to Executive in advance by Orion’s Chief Executive Officer (in either case, other than due to death or Disability); (ii) Executive has committed any willful, intentional, or grossly negligent act having the effect of injuring the interest, business, or reputation of Orion; (iii) Executive has violated or failed to comply in any material respect with Orion’s published rules, regulations, or policies, as in effect or amended from time to time; (iv) Executive has committed an act constituting a felony or misdemeanor involving moral turpitude, fraud, theft, or dishonesty; (v) Executive has misappropriated, embezzled or engaged in corporate waste of any property of Orion; or (vi) Executive has breached any provision of this Agreement or any other applicable confidentiality, non-compete, non-solicit, general release, covenant not-to-sue, restricted stock grant agreement, or other agreement with Orion.

(e) “**Change of Control**” shall mean and be limited to the occurrence of any of the following:

(i) the acquisition by any “person” (as such term is used in Section 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended), other than (A) Orion or any of its subsidiaries, (B) a trustee or other fiduciary holding securities under any employee benefit plan of Orion or any of its subsidiaries, or (C) an underwriter temporarily holding securities pursuant to an offering of such securities, of the beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Securities Exchange Act of 1934, as amended) directly or indirectly, of securities of Orion by reason of having acquired such securities during the twelve month period ending on the date of the most recent acquisition representing 20% or more of the then outstanding shares of the common stock of Orion, or the combined voting power of Orion’s then outstanding securities entitled to vote generally in the election of directors (the “Company Voting Stock”); or

(ii) the majority of members of Orion's Board is replaced during any twelve (12) month period by directors whose appointment or election is not endorsed by a majority of the members of Orion's Board before the date of the appointment or election; or

(iii) the consummation of a merger, consolidation, reorganization or share exchange of Orion with any other corporation or the issuance of Company Voting Stock in connection with a merger, consolidation, reorganization or share exchange of Orion which requires approval of the shareholders of Orion, other than (A) a merger, consolidation, reorganization or share exchange which would result in the Company Voting Stock outstanding immediately prior to such merger, consolidation, reorganization or share exchange continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or any parent thereof) at least fifty percent (50%) of the Company Voting Stock or such surviving entity or any parent thereof outstanding immediately after such merger, consolidation, reorganization or share exchange, or (B) a merger, consolidation or share exchange effected to implement a recapitalization of Orion (or similar transaction) in which no "person" (defined above) is or becomes the beneficial owner (within the meaning of Rule 13d-3 promulgated under the Securities Exchange Act of 1934, as amended), directly or indirectly, of securities of Orion (not including in the securities beneficially owned by such "person" (defined above) any securities acquired directly from Orion or its affiliates (within the meaning of Rule 12b-2 promulgated under the Securities Exchange Act of 1934, as amended) pursuant to the express authorization by the Board that refers to this exception) representing twenty percent (20%) or more of either the then outstanding shares of common stock of Orion or the Company Voting Stock; or

(iv) the consummation of a plan of complete liquidation or dissolution of Orion or a sale or disposition by Orion of all or substantially all of Orion's assets (in one transaction or a series of related transactions within any period of 24 consecutive months), in each case, which requires approval of the shareholders of Orion, other than a sale or disposition by Orion of all or substantially all of Orion's assets to an entity at least seventy-five percent (75%) of the combined voting power of the outstanding voting securities of which are owned by "persons" (defined above) in substantially the same proportions as their ownership of Orion immediately prior to such sale.

Notwithstanding the foregoing, no "Change of Control" shall be deemed to have occurred if there is consummated any transaction or series of integrated transactions immediately following which the record holders of the common stock of Orion immediately prior to such transaction or series of transactions continue to own, directly or indirectly, in the same proportions as their ownership in Orion, an entity that owns all or substantially all of the assets or Company Voting Stock of Orion immediately following such transaction or series of transactions.

(f) “**COBRA**” shall mean the provisions of Code Section 4980B.

(f) “**Code**” shall mean the Internal Revenue Code of 1986, as amended, as interpreted by rules and regulations issued pursuant thereto, including any successor provisions thereto.

(g) “**Competing Product**” means any product or service which is sold or provided in competition with a product or service: (A) that Orion has sold or provided at any time during the twenty-four (24) months immediately preceding the Termination Date or (B) that was designed, developed, tested, distributed, marketed, provided or produced by Orion at any time during the twenty-four (24) months immediately preceding the Termination Date.

(h) “**Disability**” shall mean a total and permanent mental or physical disability precluding Executive from performing the material and substantial duties of his employment for 180 days during any twelve (12)-month period. For purposes of this Agreement, the Executive shall be deemed totally and permanently disabled at the end of such 180th day or such date that makes Executive eligible to receive benefits under Orion’s long-term disability plan.

(i) “**Good Reason**” shall mean the occurrence of any of the following without the consent of Executive: (i) a material diminution in the Executive’s Base Salary; (ii) a material change in the geographic location at which the Executive must perform services; (iii) a material diminution in duties; or (iv) a material breach by Orion of any provisions of this Agreement or any equity award agreement with Orion to which the Executive is a party.

(j) “**Key Employee**” means any person who at the Termination Date is employed or engaged by Orion and with whom Executive has had material contact in the course of employment during the twelve (12) months immediately preceding the Termination Date, and (i) is a manager, officer or director of Orion; (ii) is in possession of Confidential Information and/or Trade Secrets of Orion; and/or (iii) is directly managed by or reports to Executive as of, or at any time prior to, the Termination Date.

(k) “**Restricted Customer**” means a customer of Orion during the twelve (12)-month period immediately preceding the Termination Date.

(l) “**Restricted Territory**” means Territories (as the term “Territory” as defined below) in which Orion has sold or provided products or services during the twelve (12)-month period immediately preceding the Termination Date. Notwithstanding the foregoing, the term Restricted Territory is limited to Territories in which Orion has sold or provided in excess of one hundred thousand dollars (US \$100,000) in the aggregate worth of products or services in the twelve (12)-month period immediately preceding the Termination Date.

(m) “**Separation from Service**” shall have the meaning set forth in Code Section 409A and the related Treasury Regulations; *provided*, that for this purpose, a “separation from service” is deemed to occur on the date that Orion and Executive reasonably anticipate that the level of bona fide services Executive would perform after

that date (whether as an employee or independent contractor) would permanently decrease to no more than 50% of the average level of bona fide services provided in the immediately preceding thirty-six (36) months.

(n) “**Services**” means sales, financial, supervisory, management or any other services of the type performed for Orion by Executive (or one or more Orion executives managed, supervised or directed by Executive) during the final twenty-four (24) months preceding the Termination Date, but shall not include clerical, menial or manual labor.

(o) “**Severance Payment**” shall mean the Executive’s Base Salary at the time of the Termination Date plus the average of the annual bonuses (excluding the Initial Sign-On Bonus and the Long-Term Sign-On Bonus) earned by the Executive with respect to each of the three completed fiscal years of Orion preceding the fiscal year in which the Termination Date occurs (or such lesser number of fiscal years for which the Executive was employed by Orion, with any partial year’s bonus (excluding the Initial Sign-On Bonus and the Long-Term Sign-On Bonus) being annualized with respect to such fiscal year) multiplied by the severance multiplier set forth above; *provided* that if Executive’s Termination Date occurs on or following a Change of Control, the multiplier described above shall be increased to the post-Change of Control severance multiplier set forth above and any reduction in Executive’s Base Salary since the date of the Change of Control shall be ignored.

(p) “**Strategic Customer**” means a customer of Orion that has purchased a product or service from the Orion during the twelve (12)-month period immediately preceding the Termination Date.

(q) “**Termination Date**” shall mean the effective date of the termination of Executive’s Employment, as further described in Section 4.

(r) “**Territory**” means a state within the United States, the District of Columbia, a territory of the United States, and/or a foreign nation.

(s) “**Third Party Confidential Information**” means information received by Orion from others that Orion has an obligation to treat as confidential.

(t) “**Trade Secret**” means a Trade Secret as that term is defined under Wis. Stat. § 134.90, or its successor provision.

### 3. **Employment of Executive.**

#### (a) **Position.**

(i) Executive shall serve in a full-time capacity in the position set forth above or in any other position and/or with such other duties as determined from time to time or at any time by Orion.

(ii) Executive will devote Executive’s full business time and best efforts to the performance of Executive’s duties hereunder and will not engage in any other business, profession or occupation for compensation or otherwise which



would conflict or interfere with the rendition of such services either directly or indirectly, without the prior written consent of Orion; *provided* that nothing herein shall preclude Executive, subject to the prior approval of Orion, from accepting appointment to or continuing to serve on any board of directors or trustees of any non-profit organization or any charitable organization; or possibly one (1) for-profit entity as long as Executive does not serve on an audit committee; *further provided* in each case, and in the aggregate, that such activities do not materially conflict or interfere with the performance of Executive's duties hereunder or conflict with Section 7.

(b) **Base Salary.** Orion shall pay Executive a Base Salary at the initial annual rate set forth above, payable in regular installments in accordance with Orion's usual payroll practices. Executive shall be entitled to such increases in Executive's Base Salary, if any, as may be determined from time to time by Orion. All payments shall be subject to payroll taxes and other withholdings in accordance with Orion's standard payroll practices and applicable law.

(c) **Initial Sign-On Equity Bonus.** Orion shall pay Executive an initial sign-on bonus of \$50,000 in equivalent value of Orion's common stock issuable pursuant to Section 12 of Orion's 2004 Stock and Incentive Awards Plan (with the exact number of Orion's shares of common stock issuable determined based on the closing sale price of Orion's stock on the Effective Date), with such shares issuable to Executive within thirty (30) days of the Effective Date (the "Initial Sign-On Bonus"). In the event that (i) Executive is terminated for Cause or (ii) Executive terminates his employment with Orion without Good Reason, in either case, prior to the one year anniversary from the date of issuance of the Initial Sign-On Bonus, Executive shall repay the cash equivalent of the Initial Sign-On Bonus to Orion immediately upon such termination. Orion shall be entitled to set-off amounts owed to Executive (including accrued but unpaid Base Salary, Accrued Benefits, Severance Payments and/or vested restricted stock as of the Termination Date) in order to ensure repayment of the cash equivalent of the Initial Sign-On Bonus. The Initial Sign-On Bonus shall be subject to payroll taxes and other withholdings in accordance with Orion's standard payroll practices and applicable law.

(d) **Long-Term Cash Sign-On Bonus.** If Executive remains an employee of Orion on March 31, 2016, Orion shall pay Executive a long-term cash sign-on bonus of \$78,750 within forty-five (45) days after March 31, 2016 (the "Long-Term Sign-On Bonus"). In the event that (i) Executive is terminated for Cause or (ii) Executive terminates his employment with Orion without Good Reason, in either case, prior to the one year anniversary from the date of payment of the Long-Term Sign-On Bonus, Executive shall repay the Long-Term Sign-On Bonus to Orion immediately upon such termination. Orion shall be entitled to set-off amounts owed to Executive (including accrued but unpaid Base Salary, Accrued Benefits, Severance Payments and/or vested restricted stock as of the Termination Date) in order to ensure repayment of the Long-Term Sign-On Bonus. All payments shall be subject to payroll taxes and other withholdings in accordance with Orion's standard payroll practices and applicable law.

(e) **Additional Annual Bonus Incentives.** Beginning in Orion's fiscal 2017, Executive shall be entitled to participate in such annual and/or long-term cash incentive compensation plans and programs of Orion as are generally provided to the senior

executives of Orion, as determined by the Board in its discretion. Any cash bonuses payable to Executive will be paid at the time Orion normally pays such bonuses to its senior executives and will be subject to the terms and conditions of the applicable cash incentive compensation plans and programs, as determined by the Board in its discretion.

(f) **Initial Equity Grant.** On the Effective Date, Orion shall grant Executive an initial grant of restricted stock for the number of shares set forth above and subject to the terms and conditions of the separate restricted stock grant agreement to be executed on the Effective Date by and between Orion and Executive ("Initial Equity Grant"). Among other matters, the terms and conditions of the Initial Equity Grant as set forth in such restricted grant agreement shall include vesting of such grant in one-third increments on each of the first three annual anniversaries of the Effective Date, provided that Executive remains employed by Orion on each such vesting date. Additionally, Executive shall have the option, exercisable on the Effective Date, to choose to receive the entire Initial Equity Grant in either the entire number of shares set forth above or, alternatively, to accept the Initial Equity Grant for a total of 49,744 shares (subject to the vesting provisions described above) and to receive a restricted cash payment equal to the fair market value as of the Effective Date of 11,054 shares on each vesting date of the Initial Equity Grant, all pursuant to the terms and conditions of the tandem restricted stock and restricted cash agreement for the Initial Equity Grant.

(g) **Additional Annual Equity Compensation Grants.** Beginning in Orion's fiscal 2017, Executive shall be eligible to receive additional equity compensation awards (which may consist of restricted stock or other types of equity awards), as determined by the Board in its discretion pursuant to Orion's equity compensation plans and programs in effect from time to time. These awards shall be granted in the discretion of the Board, and shall include such terms and conditions, including performance objectives, as the Board deems appropriate.

(h) **Employee Benefits.** Executive shall be entitled to participate in Orion's other employee benefit plans (other than annual and/or long-term incentive programs for fiscal 2016, which are addressed in subsections (c) and (d)) as in effect from time to time on the same basis as those benefits are generally made available to other senior executives of Orion.

(i) **Business Expenses.** Executive shall have a right to be reimbursed for Executive's reasonable and appropriate business expenses which Executive actually incurs in connection with the performance of Executive's duties and responsibilities under this Agreement in accordance with Orion's expense reimbursement policies and procedures for its senior executives, subject to Orion's reasonable requirements with respect to reporting and documentation of such expenses

(j) **Other Perquisites.** Executive shall be entitled to receive the other benefits and perquisites set forth in Exhibit A.

4. **Termination of Employment.** A Termination Date shall occur as follows:

(a) Executive's employment will terminate upon Executive's death.

(b) If Executive suffers a Disability, and if within thirty (30) days after Orion notifies the Executive in writing that it intends to terminate Executive's employment because of such Disability, Executive shall not have returned to the performance of Executive's duties hereunder on a full-time basis, then Orion may terminate Executive's employment, effective immediately following the end of such thirty (30)-day period.

(c) Orion may terminate Executive's employment with or without Cause (other than as a result of death or Disability by providing written notice to Executive of such termination, *provided however*, if Orion terminates Executive's employment for Cause, then such written notice shall indicate in reasonable detail the facts and circumstances alleged to provide a basis for such termination for Cause. If the termination is without Cause, Executive's employment will terminate on the date specified in the written notice of termination. If the termination is for Cause, the Executive shall have thirty (30) days from the date the written notice is provided, or such longer period as Orion may determine to be appropriate, to cure any conduct or act, if curable (as determined by Orion), alleged to provide grounds for termination of Executive's employment for Cause. If the alleged conduct or act constituting Cause is not curable (as determined by Orion), Executive's employment will terminate on the date specified in the written notice of termination. If the alleged conduct or act constituting Cause is curable but Executive does not cure such conduct or act within the specified time period, Executive's employment will terminate on the date immediately following the end of the cure period. Unless otherwise directed by Orion, from and after the date of the written notice of proposed termination, Executive shall be relieved of his duties and responsibilities and shall be considered to be on a paid leave of absence pending any final action by Orion confirming such proposed termination.

(d) Executive may terminate his employment with or without Good Reason by providing written notice of termination to Orion that indicates in reasonable detail the facts and circumstances alleged to provide a basis for such termination. If Executive is alleging a termination for Good Reason, Executive must provide written notice to Orion of the existence of the condition constituting Good Reason within ninety (90) days of the initial existence of such condition, and Orion must have a period of at least thirty (30) days following receipt of such notice to cure such condition. If such condition is not cured by Orion within such thirty (30) day period, Executive's termination of employment from Orion shall be effective on the date immediately following the end of such cure period.

(e) Executive's employment will terminate upon expiration of this Agreement.

## **5. Payments upon Termination.**

(a) **Entitlement to Severance.** Subject to the other terms and conditions of this Agreement, Executive shall be entitled to the Accrued Benefits, and to the Severance Payment described in subsection (c), in either of the following circumstances while this Agreement is in effect:

- (i) Executive's employment is terminated by Orion without Cause, except in the case of death or Disability; or
- (ii) Executive terminates his employment with Orion for Good Reason.

If Executive dies after receiving a notice by Orion that Executive is being terminated without Cause, or after providing notice of termination for Good Reason, the Executive's estate, heirs and beneficiaries shall be entitled to the Accrued Benefits and the Severance Payment described in subsection (c) at the same time such amounts would have been paid or benefits provided to Executive had he lived. Any non-renewal by Orion pursuant to Section 1 or expiration of the term of this Agreement pursuant to Section 4(e) shall not constitute a termination of Executive's employment under this Section 5(a) and Executive shall not be entitled to any amounts set forth in Section 5(c). Any non-renewal by Executive of this Agreement pursuant to Section 1 shall constitute a resignation by Executive without Good Reason and Executive shall not be entitled to any amounts set forth in Section 5(c).

(b) **General Release Requirement.** Executive will not be eligible to receive any payments or benefits under Section 5(c) until (i) Executive executes a general release of all claims arising out of his employment with, and termination of employment from, Orion in the form proscribed by and acceptable to Orion ("General Release"); and (ii) the revocation period specified in such General Release expires without such Executive exercising his right of revocation as set forth in the General Release.

(c) **Severance Payment; Timing and Form of Severance Payment.** Subject to Section 5(b) and the limitations imposed by Section 6 (and any repayment obligations under Sections 3(b) or 3(c)), in lieu of any severance pay or benefits under any Orion severance pay plans, programs or policies, if Executive is entitled to severance benefits, then Orion shall pay Executive the Severance Payment on a ratable basis each month over the eighteen (18) month period following the Termination Date, or if later, the date on which the General Release is no longer revocable, or if later, the date on which the amount payable under Section 6 is determined. All Severance Payments shall be subject to payroll taxes and other withholdings in accordance with Orion's standard payroll practices and applicable law.

(d) **Other Termination of Employment.** If Executive's employment terminates for any reason other than those described in subsection (a), Executive (or Executive's estate in the event of his death), shall be entitled to receive only the Accrued Benefits.

**6. Limitations on Severance Payments and Benefits.** Notwithstanding any other provision of this Agreement, if any portion of the Severance Payment or any other payment under this Agreement, or under any other agreement with or plan of Orion (in the aggregate "Total Payments"), would constitute an "excess parachute payment," then the Total Payments to be made to Executive shall be reduced such that the value of the aggregate Total Payments that Executive is entitled to receive shall be One Dollar (\$1) less than the maximum amount which Executive may receive without becoming subject to the tax imposed by Code Section 4999 or which Orion may pay without loss of deduction under Code Section 280G(a); *provided* that the foregoing reduction in the amount of Total Payments shall not apply if the After-Tax Value to Executive of the Total Payments prior to reduction in accordance herewith is greater than the After-Tax Value to Executive if Total Payments are reduced in accordance herewith. For purposes of this Agreement, the terms "excess parachute payment" and "parachute payments" shall have the meanings assigned to them in Code Section 280G, and such "parachute payments" shall be valued as provided therein.

Within twenty (20) business days following delivery of the notice of termination or notice by Orion to Executive of its belief that there is a payment or benefit due Executive that will result in an excess parachute payment as defined in Code Section 280G, Executive and Orion, at Orion's expense, shall obtain the opinion (which need not be unqualified) of nationally recognized tax counsel selected by Orion's independent auditors and acceptable to Executive in Executive's sole discretion, which opinion sets forth: (A) the amount of the Executive's "annualized includible compensation for the base period" as defined in Code Section 280G(d)(1), (B) the amount and present value of Total Payments, (C) the amount and present value of any excess parachute payments without regard to the limitations of this Section 6, (D) the After-Tax Value of the Total Payments if the reduction in Total Payments contemplated under this Section 6 did not apply, and (E) the After-Tax Value of the Total Payments taking into account the reduction in Total Payments contemplated under this Section 6. For purposes of determining the After-Tax Value of Total Payments, Executive shall be deemed to pay federal income taxes and employment taxes at the highest marginal rate of federal income and employment taxation in the calendar year in which the Termination Payment is to be made and state and local income taxes at the highest marginal rates of taxation in the state and locality of Executive's domicile for income tax purposes on the date the Termination Payment is to be made, net of the maximum reduction in federal income taxes that may be obtained from deduction of such state and local taxes. Such opinion shall be binding upon Orion and Executive.

Any reduction in payments and/or benefits required by this Section will occur in the following order: (I) reduction of cash payments; (II) reduction of vesting acceleration of equity awards; and (III) reduction of other benefits paid or provided to Executive. In the event that acceleration of vesting of equity awards is to be reduced, such acceleration of vesting will be cancelled in the reverse order of the date of grant for Executive's equity awards. If two or more equity awards are granted on the same date, each award will be reduced on a pro-rata basis. In no event will Executive exercise any discretion with respect to the ordering of any reductions of payments or benefits under this Section 6.

#### **7. Covenants by Executive.**

(a) **Nondisclosure of Third Party Confidential Information.** During Executive's employment with Orion and after the Termination Date, Executive shall not

use or disclose Third Party Confidential Information for as long as the relevant third party has required Orion to maintain its confidentiality, or for so long as required by applicable law, whichever period is longer. This prohibition does not prohibit Executive's use of general skills and know-how acquired during and prior to employment by Orion, as long as such use does not involve the use or disclosure of Third Party Confidential Information. This prohibition also does not prohibit the description by Executive of Executive's employment history and duties, for work search or other purposes, as long as such use does not involve the use or disclosure of Third Party Confidential Information.

(b) **Non-disclosure of Trade Secrets.** During employment and after the Termination Date, Executive shall not use or disclose Orion's Trade Secrets so long as they remain Trade Secrets. Nothing in this Agreement shall limit either Executive's statutory and other duties not to use or disclose Orion's Trade Secrets, or Orion's remedies in the event Executive uses or discloses Orion's Trade Secrets.

(c) **Obligations Not to Disclose or Use Confidential Information.** Except as set forth herein or as expressly authorized in writing on behalf of Orion, Executive agrees that while Executive is employed by Orion and during the two (2) year period commencing at the Termination Date, Executive will not use or disclose (except in discharging Executive's job duties with Orion) any Confidential Information, whether such Confidential Information is in Executive's memory or it is set forth electronically, in writing or other form. This prohibition does not prohibit Executive's disclosure of information after it ceases to meet the definition of "Confidential Information," or Executive's use of general skills and know-how acquired during and prior to employment by Orion, so long as such use does not involve the use or disclosure of Confidential Information; nor does this prohibition restrict Executive from providing prospective employers with an employment history or description of Executive's duties with Orion, so long as Executive does not use or disclose Confidential Information. Notwithstanding the foregoing, if Executive learns information in the course of employment with Orion which is subject to a law governing confidentiality or non-disclosure, Executive shall keep such information confidential for so long as required by law, or for two (2) years after the Termination Date, whichever period is longer.

(d) **Return of Property; No Copying or Transfer of Documents.** All equipment, books, records, papers, notes, catalogs, compilations of information, data bases, correspondence, recordings, stored data (including data or files that exist on any personal computer or other electronic storage device), software, and any physical items, including copies and duplicates, that Executive generates or develops or which come into Executive's possession or control, which relate directly or indirectly to, or are a part of Orion's (or its customers') business matters, whether of a public nature or not, shall be and remain the property of Orion, and Executive shall deliver all such materials and items, and any and all copies of them, to Orion on the Termination Date. During employment or after the Termination Date, Executive will not copy, duplicate, or otherwise reproduce, or permit copying, duplicating, or reproduction of Orion documents or writings, whether stored on paper, magnetic tape, CD, electronically, or otherwise, including but not limited to notes, notebooks, letters, blueprints, manuals, drawings, sketches, specifications, formulas, financial documents, business plans, and the like, or any other documentation owned or originated by Orion and relating to Orion's business

which, from time to time, may have come into Executive's possession, custody, or control as a result of or in the course of Executive's employment with Orion, without the express written consent of Orion, or, as a part of Executive's duties performed hereunder for the benefit of Orion. Executive expressly covenants and warrants, upon termination of employment for any reason (or no reason), that Executive shall promptly deliver to Orion any and all originals and copies in Executive's possession, custody, or control of any and all said property, documents or writings, and that Executive shall not make, retain, or transfer to any third party any copies thereof. In the event any Confidential Information or Trade Secrets are stored or otherwise kept in or on a computer hard drive or other storage device owned by or otherwise in the possession or control of Executive (collectively, "Executive Storage Device"), upon the Termination Date, Executive will present to Orion for inspection and removal of all information regarding Orion (including but not limited to Confidential Information or Trade Secrets) stored on any Executive Storage Device.

(e) **Duty of Loyalty.** During employment with Orion, Executive shall owe Orion an undivided duty of loyalty, and shall take no action adverse to that duty of loyalty. Executive's duty of loyalty to Orion includes but is not limited to a duty to promptly disclose to Orion any information that might cause Orion to take or refrain from taking any action, or which otherwise might cause Orion to alter its behavior. Without limiting the generality of the foregoing, Executive shall promptly notify Orion at any time that Executive decides to terminate employment with Orion or enter into competition with Orion, as Orion may decide at such time to limit, suspend, or terminate Executive's employment or access to one or more Companies' Confidential Information, Trade Secrets, or customer relationships.

(f) **Limited Restriction on Misuse of Goodwill.** For eighteen (18) months following the Termination Date, for whatever reason, Executive shall not sell or solicit the sale of a Competing Product to a Restricted Customer.

(g) **Limited Restriction on Assisting Misuse of Goodwill.** For eighteen (18) months following the Termination Date, for whatever reason, Executive shall not perform Services as part of or in support of providing, selling or soliciting the sale of a Competing Product to a Restricted Customer.

(h) **Limited Restriction on Misuse of Information.** For eighteen (18) months following the Termination Date, for whatever reason, Executive shall not sell or solicit the sale of a Competing Product to a Strategic Customer.

(i) **Limited Restriction on Assisting Misuse of Information.** For eighteen (18) months following the Termination Date, for whatever reason, Executive shall not perform Services as part of or in support of providing, selling or soliciting the sale of a Competing Product to a Strategic Customer.

(j) **Limited Territorial Restriction.** For eighteen (18) months following the Termination Date, for whatever reason, Executive shall not perform Services as part of or in support of the business of selling, soliciting the sale of or providing Competing Products in the Restricted Territory.

(k) **Limited Territorial Restriction – Design, Development, Production and Testing Activities.** For eighteen (18) months following the Termination Date, for whatever reason, Executive shall not perform Services as part of or in support of the business of designing, testing, developing or producing Competing Products for sale in the Restricted Territory.

(l) **Non-solicitation of Key Employees.** For eighteen (18) months following the Termination Date, for whatever reason, Executive shall not, without the prior written consent of Orion, solicit a Key Employee to engage in competition with Orion, unless such Key Employee has already ceased employment with Orion. This shall not bar any Employee of Orion from applying for or accepting employment with any person or entity.

(m) **Disclosure and Assignment to Orion of Inventions and Innovations.**

(i) Executive agrees to disclose and assign to Orion as Orion's exclusive property, all inventions and technical or business innovations, including but not limited to all patentable and copyrightable subject matter (collectively, the "Innovations") developed, authored or conceived by Executive solely or jointly with others during the period of Executive's employment, including during Executive's employment prior to the date of this Agreement, (1) that are along the lines of the business, work or investigations of Orion to which Executive's employment relates or as to which Executive may receive information due to Executive's employment with Orion, or (2) that result from or are suggested by any work which Executive may do for Orion or (3) that are otherwise made through the use of Orion time, facilities or materials. To the extent any of the Innovations is copyrightable, each such Innovation shall be considered a "work for hire."

(ii) Executive agrees to execute all necessary papers and otherwise provide proper assistance (at Orion's expense), during and subsequent to Executive's employment, to enable Orion to obtain for itself or its nominees, all right, title, and interest in and to patents, copyrights, trademarks or other legal protection for such Innovations in any and all countries.

(iii) Executive agrees to make and maintain for Orion adequate and current written records of all such Innovations;

(iv) Upon any termination of Executive's employment, employee agrees to deliver to Orion promptly all items which belong to Orion or which by their nature are for the use of Orion employees only, including, without limitation, all written and other materials which are of a secret or confidential nature relating to the business of Orion.

(v) In the event Orion is unable for any reason whatsoever to secure Executive's signature to any lawful and necessary documents required, including those necessary for the assignment of, application for, or prosecution of any United States or foreign application for letters patent or copyright for any Innovation, Executive hereby irrevocably designates and appoints Orion and its duly authorized officers and agents as Executive's agent and attorney-in-fact, to



act for and in Executive's behalf and stead to execute and file any such applications and to do all other lawfully permitted acts to further the assignment, prosecution, and issuance of letters patent or registration of copyright thereon with the same legal force and effect as if executed by Executive. Executive hereby waives and quitclaims to Orion any and all claims, of any nature whatsoever, which Executive may now have or may hereafter have for infringement of any patent or copyright resulting from any such application.

(n) **Remedies Not Exclusive.** In the event that Executive breaches any terms of this Section 7, Executive acknowledges and agrees that said breach may result in the immediate and irreparable harm to the business and goodwill of Orion and that damages, if any, and remedies of law for such breach may be inadequate and indeterminable. Orion, upon Executive's breach of this Section 7, shall therefore be entitled (in addition to and without limiting any other remedies that Orion may seek under this Agreement or otherwise at law or in equity) to (1) seek from any court of competent jurisdiction equitable relief by way of temporary or permanent injunction and without being required to post a bond, to restrain any violation of this Section 7, and for such further relief as the court may deem just or proper in law or equity, and (2) in the event that Orion shall prevail, its reasonable attorney's fees and costs and other expenses in enforcing its rights under this Section 7.

(o) **Severability of Provisions.** If any restriction, limitation, or provision of this Section 7 is deemed to be unreasonable, onerous, or unduly restrictive by a court of competent jurisdiction, it shall not be stricken in its entirety and held totally void and unenforceable, but shall remain effective to the maximum extent possible within the bounds of the law. If any phrase, clause or provision of this Section 7 is declared invalid or unenforceable by a court of competent jurisdiction, such phrase, clause, or provision shall be deemed severed from this Section 7, but will not affect any other provision of this Section 7, which shall otherwise remain in full force and effect. The provisions of this Section 7 are each declared to be separate and distinct covenants by Executive.

(p) **Definition of "Orion" for Purposes of Section 7 of this Agreement.** With respect to Section 7(a) through (l) of this Agreement only, the term "Orion" shall be deemed to include Orion and other affiliates of Orion for which Employee has provided services during the prior twelve months.

8. **Notice.** Any notice, request, demand or other communication required or permitted herein will be deemed to be properly given when personally served in writing or when deposited in the United States mail, postage prepaid, addressed to Executive at the address appearing at the end of this Agreement and to Orion with attention to the Chief Executive Officer of Orion. Either party may change its address by written notice in accordance with this paragraph.

9. **Set Off.** Orion's obligation to pay Executive any amounts and to provide any of the benefits hereunder shall be subject to set-off, counterclaim or recoupment of amounts owed by Executive to Orion.

10. **Benefit of Agreement.** This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective executors, administrators, successors and

assigns. Orion will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of Orion to assume expressly and agree to perform this Agreement in the same manner and to the same extent that Orion would be required to perform it if no such succession had taken place. As used in this Agreement, "Orion" shall mean Orion as hereinbefore defined and any successor to its business and/or assets as aforesaid which assumes and agrees to perform this Agreement by operation of law, or otherwise.

11. **Arbitration.** Any controversy or claim arising out of or relating to this Agreement or the breach of this Agreement that cannot be mutually resolved by the Executive and Orion, including any dispute as to the calculation of the Executive's Accrued Benefits, Base Salary, bonus amount or any Severance Payment hereunder, shall be submitted to arbitration in Milwaukee, Wisconsin, in accordance with the procedures of the American Arbitration Association. The determination of the arbitrator shall be conclusive and binding on Orion and the Executive, and judgment may be entered on the arbitrator's award in any court having jurisdiction. Notwithstanding the foregoing, both Executive and Orion may seek to obtain injunctive relief in a Wisconsin court of competent jurisdiction pending arbitration.

12. **Applicable Law and Jurisdiction.** This Agreement is to be governed by and construed under the laws of the United States and of the State of Wisconsin without resort to Wisconsin's choice of law rules. Each party hereby agrees that the forum and venue for any legal or equitable action or proceeding arising out of, or in connection with, this Agreement will lie in the appropriate federal or state courts in the State of Wisconsin and specifically waives any and all objections to such jurisdiction and venue.

13. **Section 409A Compliance.** This Agreement is intended to comply with, or otherwise be exempt from, Section 409A of the Code ("Section 409A"). Orion shall undertake to administer, interpret, and construe this Agreement in a manner that does not result in the imposition to the Executive of additional taxes or interest under Section 409A of the Code. If a payment obligation under this Agreement arises on account of the Executive's Separation from Service while the Executive is a "specified employee" (as defined under Section 409A of the Code and determined in good faith by the Board), any payment of "deferred compensation" (as defined under Treasury Regulation Section 1.409A-1(b)(1), after giving effect to the exemptions in Treasury Regulation Sections 1.409A-1(b)(3) through (b)(12)) that is scheduled to be paid within six (6) months after such Separation from Service shall accrue without interest and shall be paid within fifteen (15) days after the end of the six-month period beginning on the date of such separation from service or, if earlier, within fifteen (15) days after the appointment of the personal representative or executor of the Executive's estate following his death.

14. **Captions and Paragraph Headings.** Captions and paragraph headings used herein are for convenience only and are not a part of this Agreement and will not be used in construing it.

15. **Invalid Provisions.** Subject to Section 7(e), should any provision of this Agreement for any reason be declared invalid, void, or unenforceable by a court of competent jurisdiction, the validity and binding effect of any remaining portion will not be affected, and the remaining portions of this Agreement will remain in full force and effect as if this Agreement had been executed with said provision eliminated.

16. **No Waiver.** The failure of a party to insist upon strict adherence to any term of this Agreement on any occasion shall not be considered a waiver of such party's rights or deprive such party of the right thereafter to insist upon strict adherence to that term or any other term of this Agreement.

17. **Entire Agreement.** This Agreement contains the entire agreement of the parties with respect to the subject matter of this Agreement and supersedes any and all other agreements, either oral or in writing, between the parties hereto with respect to the employment of Executive by Orion. Each party to this Agreement acknowledges that no representations, inducements, promises, or agreements, oral or otherwise, have been made by any party, or anyone acting on behalf of any party, which are not embodied herein, and that no other agreement, statement, or promise not contained in this Agreement will be valid or binding.

18. **Modification.** This Agreement may not be modified or amended by oral agreement, but only by an agreement in writing signed by Orion and Executive.

19. **Counterparts.** This Agreement may be signed in counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

**WHEREAS**, this Agreement is effective as of the Effective Date set forth above.

**EXECUTIVE**

/s/ William T. Hull

\_\_\_\_\_  
Name: William T. Hull

Address: \_\_\_\_\_  
\_\_\_\_\_

**ORION ENERGY SYSTEMS, INC.**

By: /s/ John Scribante \_\_\_\_\_  
John Scribante  
Chief Executive Officer

EXHIBIT A

Benefits and Perquisites\*

\* Note: The listed benefits and perquisites are in addition to those generally made available to all other senior executives of Orion under Orion's employee benefit plans (other than annual and long-term incentive plans, which are addressed in Section 3 of the Agreement) as in effect from time to time. Executive is entitled to participate in such benefit plans on the same basis as those benefits are generally made available to other senior executives of Orion. Currently, such company-wide benefits include: (i) 401(k) Plan; (ii) group short term disability insurance; and (iii) group health and prescription drug insurance.

<u>Benefit</u>	<u>Amount</u>
1. Life Insurance	\$1,000,000 (face value)
2. Health/Prescription Drug Reimbursement	Reimbursed by Company Per Current Practice
3. Group Long Term Disability Insurance	Reimbursed by Company Per Current Practice
4. Automobile Allowance	\$1,000 per month
5. Relocation Reimbursement	Orion will pay for reasonable and documented expenses directly submitted by a realtor for real estate transaction costs, and by movers related to the packing, moving, and unpacking of household goods associated with Executive's relocation to begin employment. Orion will also directly provide two house hunting trips, and temporary living accommodations for up to six months; provided, however, that such combined costs paid by Orion shall not exceed a maximum of \$50,000.  In the event that (i) Executive is terminated for Cause or (ii) Executive terminates his employment with Orion without Good Reason, in either case, prior to the one year anniversary from the Effective Date for any reason, Executive shall repay to Orion all such costs paid by Orion immediately upon such termination. Orion shall be entitled to set-off amounts owed to Executive (including accrued but unpaid Base Salary Accrued Benefits, Severance Payments and/or vested restricted stock as of the Termination Date) in order to ensure repayment of the such amounts.



## Orion Energy Systems Appoints William T. Hull to Chief Financial Officer

*Scott Jensen will remain with the company as Controller/Vice President*

**MANITOWOC, Wis. - October 5, 2015 - Orion Energy Systems, Inc. (NASDAQ: OESX)**, a leading designer and manufacturer of high-performance, energy-efficient retrofit lighting platforms, today announced that it has appointed William T. Hull to Chief Financial Officer effective today. Scott Jensen will remain with the company as Controller/Vice President.

“We are excited to welcome Bill to the Orion team. His experience creating and leading high-performing financial teams and transforming organizations at growing, public companies will be invaluable as we embark on the next chapter of Orion’s evolution. Furthermore, his track record of driving revenue growth, economic value, and shareholder return will bolster Orion’s efforts in delivering improved financial performance and increasing shareholder value as we move forward,” commented John Scribante, Orion Energy Systems’ Chief Executive Officer.

Mr. Scribante continued, “I want to thank Scott for his efforts as Chief Financial Officer over the last seven years. Scott played a key role in navigating Orion through some of its more challenging times, including its recent business transition over the last several years. His dedication provides a strong foundation from which Bill can build on. We are pleased to welcome Scott to his new role.”

Mr. Hull has had a long career in managing and leading the finance organizations for public and private companies. Most recently, he was at RTI International Metals (NYSE: RTI), an \$800 million vertically-integrated global supplier of advanced titanium and specialty metal mill products and components serving the aerospace, defense, medical, industrial, and energy industries, where he served as Chief Risk Officer, Chief Financial Officer and Chief Accounting Officer. In these roles, Mr. Hull acted as the lead corporate executive officer responsible for directing the finance, accounting, and risk organizations while providing overall strategic and operational direction for RTI’s corporate finance, risk management, and corporate development activities, among others.

Before joining RTI, he was the Corporate Controller with Stoneridge, Inc. (NYSE: SRI), a \$700 million global designer and manufacturer of highly engineered electrical and electronic components, modules and systems for the automotive, truck, off-highway, and agricultural vehicle markets. Over a nearly 20-year period, Mr. Hull held various positions of increasing responsibility throughout the finance organization at Stoneridge.

He began his career in public accounting and is a graduate of Youngstown State with a BS in Business Administration. Mr. Hull is a Certified Public Accountant.

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## About Orion Energy Systems

Orion is leading the transformation of commercial and industrial buildings with state-of-the-art energy efficient lighting systems and retrofit lighting solutions. Orion manufactures and markets a cutting edge portfolio of products encompassing LED Solid-State Lighting and high intensity fluorescent lighting. Many of Orion's 100+ granted patents and pending patent applications relate to lighting systems that provide exceptional optical and thermal performance, which drive financial, environmental, and work-space benefits for a wide variety of customers in the retrofit markets.

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Or

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