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

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934
Date of Report (Date of earliest event reported): March 24, 2024

LUNA INNOVATIONS INCORPORATED
(Exact name of registrant as specified in its charter)

Delaware	**000-52008**	**54-1560050**
(State or other jurisdiction of incorporation)	**(Commission File Number)**	**(IRS Employer Identification No.)**

301 1st Street SW, Suite 200 **Roanoke, VA**	**24011**
(Address of principal executive offices)	**(Zip Code)**

Registrant's telephone number, including area code: (540) 769-8400

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

Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	**Trading Symbol(s)**	**Name of each exchange on which registered**
Common Stock, $0.001 par value per share	LUNA	Nasdaq Stock Market, LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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

Appointment of Richard Roedel as Interim Executive Chairman and Interim President

On March 24, 2024, Richard Roedel, the Chairman of the Board of Directors (the "Board") of Luna Innovations Incorporated (the "Company"), was appointed Interim Executive Chairman and Interim President, effective immediately, to serve in such capacities until such time as a new Chief Executive Officer and President commences employment or such other date determined by the Board. In these capacities, Mr. Roedel will serve as the Company's principal executive officer and principal operating officer. The Board has also initiated a search for the Company's new President and Chief Executive Officer.

There is no arrangement or understanding between Mr. Roedel and any other person pursuant to which he was selected as an officer of the Company, and there is no family relationship between Mr. Roedel and any of the Company's other directors or executive officers. Additional information about Mr. Roedel is set forth below:

Mr. Roedel, age 74, has served as a member of the Board since 2005 and as non-executive Chairman of the Board since 2010. Mr. Roedel has extensive board experience and is currently a member of the Board of Directors of BrightView Holdings, Inc., LSB Industries, Inc. and Clarivate Plc. Mr. Roedel serves as non-executive chair of LSB Industries. In May 2021, Mr. Roedel retired from the board of Six Flags Entertainment, Inc. where he served as the Non-Executive Chair. Mr. Roedel has previously served on boards of IHS Markit Ltd, Lorillard, Inc., Sealy Corporation, BrightPoint, Inc., Broadview Holdings, Inc., Dade Behring Holdings, Inc., and TakeTwo Interactive Software, Inc. Mr. Roedel is a member of the National Association of Corporate Directors (NACD) Risk Oversight Advisory Council. Mr. Roedel served a three-year term, ending in 2017, on the Standing Advisory Group of the Public Company Accounting Oversight Board (PCAOB). From 1971 through 2000, he was employed by BDO Seidman LLP, becoming an audit partner in 1980, later being promoted in 1990 to managing partner in Chicago and then managing partner in New York in 1994, and finally, in 1999, to chair and chief executive officer. Mr. Roedel holds a B.S. degree in accounting from The Ohio State University and is a Certified Public Accountant.

On March 24, 2024, in connection with Mr. Roedel's appointment as the Company's Interim Executive Chairman and Interim President, the Company and Mr. Roedel entered into a letter agreement effective March 24, 2024 (the "Letter Agreement") setting forth the terms of his employment. Pursuant to the Letter Agreement, Mr. Roedel's employment with the Company is at-will and is intended to be temporary, with an expected term of less than 12 months, and may be terminated by the Board at any time or extended by mutual agreement. Mr. Roedel will receive a monthly salary of $3,083 per month (equal to $37,000 per year). Mr. Roedel will not be eligible to participate in the Company's executive bonus program or severance plans. Additionally, during the term of his service as Interim Executive Chairman, Mr. Roedel will not be eligible to receive compensation pursuant to the Company's non-employee director compensation policy.

Pursuant to the Letter Agreement, on March 24, 2024, Mr. Roedel was granted a restricted stock unit award ("RSU") for 154,639 shares of the Company's common stock (the "Roedel RSUs"). One-fourth of the shares underlying the Roedel RSUs will become eligible to vest on each three-month anniversary of the grant date, subject to Mr. Roedel's continued employment with the Company as Interim Executive Chairman as of the applicable three-month anniversary (the "Service-Eligible RSUs"). Any Roedel RSUs that become Service-Eligible RSUs will actually vest on March 24, 2025, subject to Mr. Roedel's Continuous Service (as defined in the Company's 2023 Equity Incentive Plan) to the Company through such date. In the event of Mr. Roedel's death or disability, or in the event of a change in control of the Company, occurring (a) during Mr. Roedel's service as Interim Executive Chairman, the vesting of any unvested Roedel RSUs, whether or not Service-Eligible RSUs, shall accelerate in full, or (b) after the termination Mr. Roedel's service as Interim Executive Chairman but while the Mr. Roedel remains in Continuous Service, the vesting of any Service-Eligible RSUs shall accelerate in full.

Retirement of Scott Graeff as President and Chief Executive Officer and as a Board Member

On March 24, 2024, Scott Graeff retired as the President and Chief Executive Officer of the Company and as a member of the Board, effective immediately. After consideration of various alternatives, including termination with or without cause, the Board exercised its discretion in determining that it was in the best interests of the Company and its stockholders to accept Mr. Graeff's retirement and provide benefits to Mr. Graeff in exchange for his continued assistance and compliance with other obligations as set forth in a separation agreement (the "Separation Agreement"), which the Company and Mr. Graeff entered into on March 24, 2024 (the "Separation Date").

Subject to Mr. Graeff's release of claims and his compliance with the Separation Agreement and his continuing obligations to the Company under his employment agreement and Confidential Information, Inventions Assignment, Non-competition and Non-Solicitation Agreement, the Company has agreed to provide Mr. Graeff with the following severance benefits: (a) severance payments in the form of continuation of his base salary for a period of nine months following the Separation Date, payable in accordance with the Company's normal payroll practices, (b) payment of his COBRA premium, if applicable, for

up to nine months, and (c) accelerated vesting of 10,000 shares underlying Mr. Graeff's unvested RSUs. The remainder of Mr. Graeff's unvested equity awards were forfeited as of the Separation Date.

The Separation Agreement also contains certain covenants that are binding upon Mr. Graeff, including a covenant to cooperate with the Company in connection with any investigation of any claims or demands asserted against it and with respect to matters arising from events that occurred during his period of employment with the Company. Mr. Graeff also agreed to refrain from taking certain actions regarding the Company and its management and stockholders in light of Mr. Graeff's status as a holder of the Company's common stock. The Separation Agreement also contains a release of claims in favor of the Company, subject to customary exceptions, and mutual covenants not to disparage, subject to certain exceptions. In addition, the Separation Agreement contains clawback provisions pursuant to which, in addition to any required clawback under applicable law or listing requirements and the Company's clawback policies, 100% of all cash severance payments and accelerated RSUs provided to Mr. Graeff under the Separation Agreement are subject to clawback upon (a) the Board's determination, in its reasonable good faith discretion, that Mr. Graeff engaged in conduct that constituted "Cause" under his employment agreement, (b) the Board's determination, in its reasonable good faith discretion, that Mr. Graeff materially breached his continued obligations to the Company, or (c) a finding by a court that Mr. Graeff engaged in bad faith conduct.

The foregoing descriptions of the Letter Agreement and the Separation Agreement are not complete and are qualified in their entirety by reference to the Letter Agreement and the Separation Agreement, which are filed herewith as Exhibits 10.1 and 10.2, respectively, and incorporated by reference herein.

Item 7.01 Regulation FD Disclosure.

On March 25, 2024, the Company issued a press release with respect to certain of the matters described in this report (the "Press Release"). A copy of the Press Release is furnished as Exhibit 99.1 to this report.

The information furnished under this Item 7.01, including Exhibit 99.1, shall not be deemed "filed" for purposes of Section 18 of the Exchange Act, or otherwise subject to the liabilities of that section, and shall not be deemed incorporated by reference into any of the Company's filings under the Securities Act of 1933, as amended, or the Securities Act, or the Exchange Act, whether made before or after the date hereof, regardless of any general incorporation language in such filing, except as shall be expressly set forth by specific reference in such filing.

Item 8.01 Other Events.

In connection with Mr. Roedel's appointment as Interim Executive Chairman and Interim President and Mr. Graeff's retirement from the Board, the size of the Board was reduced from eight to seven members, and the Board implemented a number of additional governance changes, effective immediately. Mr. Roedel resigned from each of the Nominating and Governance Committee, the Compensation Committee and the Risk Committee of the Board. Pamela Coe, a member of the Board, was appointed to the Risk Committee and designated to replace Mr. Roedel as the chair of the Risk Committee. Mary Beth Vitale, the current chair of the Nominating and Governance Committee, was appointed as lead independent director of the Board.

On March 24, 2024, the Board also established a new Operations Committee of the Board to provide focused oversight of the Company. The Board appointed Barry Phelps, David Chanley and Gary Spiegel to the Operations Committee, with Mr. Phelps serving as the chair.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit	Description
10.1	Letter Agreement, dated March 24, 2024, with Richard Roedel.
10.2*	Separation Agreement dated March 24, 2024, by and between the Company and Scott Graeff.
99.1	Press release dated March 25, 2024.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

* Certain schedules have been omitted pursuant to Item 601(a)(5) of Regulation S-K. The Company undertakes to furnish supplemental copies of any of the omitted schedules to the SEC upon request.

SIGNATURES

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

Date: March 25, 2024

Luna Innovations Incorporated

By: /s/ George Gomez-Quintero
George Gomez-Quintero
Chief Financial Officer

March 24, 2024

VIA EMAIL
Richard W. Roedel

Dear Rich:

This agreement contains the terms of your position as **Interim President** of Luna Innovations Incorporated (the "***Company***") and **Interim Executive Chairman** (the "***Interim Executive Chair***") of the Board of Directors of the Company (the "***Board***") with an effective date of March 24, 2024 (the "***Effective Date***").

As Interim Executive Chair, you will report directly to the Board and will perform such duties, consistent with the Interim Executive Chair position, as will reasonably be assigned to you by the Board. This is intended to be a temporary position with an expected term of less than 12 months (the "***Term***"), though this is an at-will appointment and may be terminated sooner or extended, by mutual agreement. During the Term, you will remain a member of the Board, of which you were previously the non-executive Chairman.

You will perform your services hereunder primarily from your home but agree to perform your services from the Company's offices in Roanoke, Virginia from time to time, in accordance with the needs of the business. You may be required to travel from time to time. You will be eligible for reimbursement of reasonable, necessary expenses incurred by you in connection with the performance of your duties hereunder in accordance with the Company's expense reimbursement policies and procedures.

During your Term as Interim Executive Chair, you will receive compensation at the rate of $3,083 per month (equivalent to annualized compensation of $37,000) which will be paid in accordance with the Company's regular payroll practices. During the Term, you will not be eligible for participation in the Company's executive bonus program. You will also not be eligible to participate in the Company's severance plans. Even if you are eligible to participate in the Company's health and welfare plans in accordance with the terms and eligibility criteria of such plans, you have disclosed that you do not intend to participate in the Company's health and welfare plans given your existing coverage through other employment or self-employment. Your employment will be subject to the Company's personnel policies and procedures as they may be interpreted, adopted, revised or deleted from time to time in the Company's sole discretion, but only to the extent that such policies and procedures are not inconsistent with the terms of this letter.

During the Term, you will not be eligible for compensation (either in the form of cash or equity) under the Company's non-employee director compensation policy. You have previously been granted one or more equity awards by the Company in connection with your service as a director, which grant(s) shall continue to vest during the Term and which shall continue to be governed in all respects by the terms of the applicable equity agreements, grant notices, and equity plans.

Upon approval by the Board or authorized committee thereof, you will be granted a restricted stock unit ("***RSU***") award (the "***RSU Award"***) with a targeted value as of the grant date of $600,000 under the Company's 2023 Equity Incentive Plan (the "***Plan***"). The actual number of RSUs subject to the RSU Award will be determined by dividing the dollar value set forth above by the closing price on March 22, 2024 of a share of the Company's common stock. The RSU

Award, including the vesting and settlement provisions applicable thereto, will be governed by the terms of the Plan and an RSU award agreement in substantially the form attached hereto as Exhibit A.

The existing indemnification agreement (along with any applicable confidentiality or non-disclosure agreement) between you and the Company will continue to govern your service as Interim Executive Chair. You have disclosed to the Board that you currently serve as a director of each of LSB Industries, Clarivate PLC and BrightView Holdings, and the parties acknowledge that such work does not conflict with or otherwise restrict your ability to become Interim Executive Chair of the Company and fulfill your duties to the Company in such capacity, and you may continue to hold such position during the Term. Nothing in this offer should be construed to interfere with or otherwise restrict in any way the rights of the Company and the Company's stockholders to remove any individual from the Board at any time in accordance with the Company's certificate of incorporation, bylaws, any applicable agreements and applicable law.

You acknowledge that as a result of your service on the Board and as Interim Executive Chair you have obtained and will obtain confidential information and proprietary information relating to or provided by the Company and its affiliates. During and after the Term, you shall not use for your benefit or disclose confidential information, proprietary information, knowledge or data relating to or provided by the Company and its affiliates and you agree to execute the Company's standard employee non-disclosure agreement upon the Company's reasonable request.

To indicate your acceptance of the Company's offer, please sign and date this letter in the space provided below and return it to me. This letter sets forth the terms of your service as Interim Executive Chair and supersedes any prior representations or agreements on this subject matter, whether written or oral. This letter will be construed and interpreted in accordance with the laws of the Commonwealth of Virginia. This letter may not be modified or amended except by a written agreement, signed by an officer of the Company or an authorized director of the Board and by you.

We look forward to continue working with you in your new capacity.

Sincerely,

Luna Innovations Incorporated

By: /s/ Gary Spiegel
Gary Spiegel
Chair of the Compensation Committee
of the Board of Directors

I HAVE READ, UNDERSTAND AND AGREE FULLY TO THE FOREGOING AGREEMENT:

/s/ Richard Roedel
Richard W. Roedel

EXHIBIT A
LUNA INNOVATIONS INCORPORATED
RESTRICTED STOCK UNIT GRANT NOTICE
(2023 EQUITY INCENTIVE PLAN)

Luna Innovations Incorporated (the "***Company***"), pursuant to Section 6(b) of the Company's 2023 Equity Incentive Plan (the "***Plan***"), hereby awards to Participant Restricted Stock Units for the number of shares of the Company's Common Stock ("***RSUs***" or "***Restricted Stock Units***") set forth below (sometimes referred to as the "***Award***"). The Award is subject to all of the terms and conditions as set forth in this grant notice (this "***Restricted Stock Unit Grant Notice***") and in the Plan and the Restricted Stock Unit Agreement (the "***Award Agreement***"), both of which are attached hereto and incorporated herein in their entirety. Capitalized terms not otherwise defined herein shall have the meanings set forth in the Plan or the Award Agreement. In the event of any conflict between the terms in the Award and the Plan, the terms of the Plan shall control.

Participant:	Richard Roedel
Date of Grant:	March 24, 2024
Vesting Commencement Date:	March 24, 2024
Number of Restricted Stock Units/Shares:	154,639

Vesting Schedule: The Award shall vest as follows:

(a) On each three-month anniversary of the Date of Grant during the one-year period following the Date of Grant (each, a "***Service Date***"), 25% of the RSUs will become eligible to vest (the "***Service-Eligible RSUs***"), subject to the Participant's employment with the Company as Interim Executive Chair not being interrupted or terminated ("***Executive Chair Service***") as of each applicable Service Date. Except as set forth in (c) below, any RSUs that do not become Service-Eligible RSUs will be forfeited at no cost to the Company in the event of a termination of the Participant's Executive Chair Service for any reason; provided, that so long as the Participant otherwise remains in Continuous Service (as defined in the Plan), any Service-Eligible RSUs will remain eligible to vest as set forth in (b) below.

(b) Any Service-Eligible RSUs shall vest on the one-year anniversary of the Date of Grant, subject to the Participant's Continuous Service through such date. Except as set forth in (c) below, any Service-Eligible RSUs will be forfeited at no cost to the Company in the event of a termination of the Participant's Continuous Service for any reason prior thereto.

(c) In the event of the Participant's death or Disability, or in the event of a Change in Control, occurring (i) during the Participant's Executive Chair Service, the vesting of any unvested RSUs, whether or not Service-Eligible RSUs, shall accelerate in full, or (ii) after the termination of the Participant's Executive Chair Service but while the Participant remains in Continuous Service, the vesting of any Service-Eligible RSUs shall accelerate in full.

Issuance Schedule: Subject to any change on a Capitalization Adjustment, one share of Common Stock will be issued for each Restricted Stock Unit that vests at the time set forth in Section 6 of the Award Agreement.

Additional Terms/Acknowledgements: By accepting this Award, Participant acknowledges (i) having received and read this Restricted Stock Unit Grant Notice, the Award Agreement and the Plan and understands and agrees to all of the terms and conditions set forth in these documents, (ii) that the Award is subject to all the provisions of the Plan, the provisions of which are part of the Award, and is further

subject to all interpretations, amendments, rules and regulations which may from time to time be promulgated and adopted pursuant to the Plan, (iii) that this Restricted Stock Unit Grant Notice and the Award Agreement may not be modified, amended or revised except as provided in the Plan and (iv) that as of the Date of Grant, this Restricted Stock Unit Grant Notice, the Award Agreement and the Plan set forth the entire understanding between Participant and the Company regarding the acquisition of the Common Stock pursuant to the Award specified above and supersede all prior oral and written agreements, promises and/or representations regarding the terms of this Award with the exception, if applicable, of (A) any compensation recovery policy that is adopted by the Company or compensation recoupment requirement otherwise required by applicable law, and (B) the Company's stock ownership guidelines.

By accepting this award, Participant also (i) further acknowledges his or her obligation to satisfy any tax withholding obligations imposed on the Company with respect to the Award or vesting of RSUs, or the delivery of the underlying Common Stock, as a condition to the receipt of any shares of Common Stock hereunder, including by requiring a cash payment to the Company by Participant and (ii) consents to receive this Restricted Stock Unit Grant Notice, the Award Agreement, the Plan, the prospectus for the Plan and any other Plan-related documents by electronic delivery and to participate in the Plan through an on-line or electronic system established and maintained by the Company or another third party designated by the Company.

LUNA INNOVATIONS INCORPORATED **PARTICIPANT**

By: /s Gary Spiegel /s Richard Roedel
Signature Richard Roedel

Title: Chair of the Compensation Committee Date: March 24, 2024

of the Board of Directors

Date: March 24, 2024

ATTACHMENTS: Restricted Stock Unit Agreement and 2023 Equity Incentive Plan

LUNA INNOVATIONS INCORPORATED
RESTRICTED STOCK UNIT AGREEMENT (DEFERRED SETTLEMENT)
(2023 EQUITY INCENTIVE PLAN)

Pursuant to the Restricted Stock Unit Grant Notice (the "***Grant Notice***") and this Restricted Stock Unit Agreement (the "***Agreement***"), Luna Innovations Incorporated (the "***Company***") has awarded you ("***Participant***") Restricted Stock Units ("Restricted Stock Units" or "RSUs," sometimes referred to generally as the "***Award***") pursuant to Section 6(b) of the Company's 2023 Equity Incentive Plan (the "***Plan***") for the number of Restricted Stock Units indicated in the Grant Notice. Capitalized terms not explicitly defined in this Agreement or the Grant Notice shall have the same meanings given to them in the Plan. The terms of your RSUs, in addition to those set forth in the Grant Notice, are as follows.

1. GRANT OF THE AWARD. This Award represents the right to be issued on a future date one (1) share of Common Stock for each Restricted Stock Unit that vests on the applicable vesting date(s) (subject to any adjustment under Section 3 below) as indicated in the Grant Notice. This Award was granted in consideration of your past or expected future services to the Company or its Affiliates.

2. VESTING. Subject to the limitations contained herein, your RSUs will vest, if at all, in accordance with the vesting schedule provided in the Grant Notice, provided that, except as otherwise set forth in the Grant Notice, vesting will cease upon the termination of your Continuous Service. Upon such termination of your Continuous Service, the Restricted Stock Units that were not vested on the date of such termination will be forfeited at no cost to the Company and you will have no further right, title or interest in or to the underlying shares of Common Stock subject to the forfeited RSUs.

3. NUMBER OF SHARES. The number of Restricted Stock Units/shares subject to your Award may be adjusted from time to time for Capitalization Adjustments, as provided in the Plan. Any additional Restricted Stock Units, shares, cash or other property that becomes subject to the Award pursuant to this Section 3, if any, shall be subject, in a manner determined by the Board, to the same forfeiture restrictions, restrictions on transferability, and time and manner of delivery as applicable to the other Restricted Stock Units and shares covered by your Award. Notwithstanding the provisions of this Section 3, no fractional shares or rights for fractional shares of Common Stock shall be created pursuant to this Section 3. Any fraction of a share will be rounded down to the nearest whole share.

4. SECURITIES LAW COMPLIANCE. You may not be issued any Common Stock under your Award unless the shares of Common Stock underlying the Restricted Stock Units are either (i) then registered under the Securities Act, or (ii) the Company has determined that such

issuance would be exempt from the registration requirements of the Securities Act. Your Award must also comply with other applicable laws and regulations governing the Award, and you shall not receive such Common Stock if the Company determines that such receipt would not be in material compliance with such laws and regulations.

5. TRANSFER RESTRICTIONS. Prior to the time that shares of Common Stock have been delivered to you, you may not transfer, pledge, sell or otherwise dispose of the RSUs or the shares issuable in respect of your RSUs, except as expressly provided in this Section 5. The restrictions on transfer set forth herein will lapse upon delivery to you of shares in respect of your vested Restricted Stock Units, provided that all transactions in the Company's securities, including the shares issuable in respect of your RSUs, are subject to the Company's Insider Trading Policy.

a. Death. Your Award is transferable by will and by the laws of descent and distribution. At your death, vesting of your RSUs will cease (except as otherwise provided in the Grant Notice) and your executor or administrator of your estate shall be entitled to receive, on behalf of your estate, any Common Stock or other consideration that vested but was not issued before your death.

b. Domestic Relations Orders. Upon receiving written permission from the Board or its duly authorized designee, and provided that you and the designated transferee enter into transfer and other agreements required by the Company, you may transfer your RSUs or the shares of Common Stock issued upon vesting of your RSUs pursuant to a domestic relations order or marital settlement agreement that contains the information required by the Company to effectuate the transfer. You are encouraged to discuss the proposed terms of any division of this Award with the Company's legal department prior to finalizing the domestic relations order or marital settlement agreement to verify that you may make such transfer, and if so, to help ensure the required information is contained within the domestic relations order or marital settlement agreement.

6. DATE OF ISSUANCE.

a. The issuance of shares in respect of the Restricted Stock Units is intended to comply with Section 409A of the Code and any applicable Treasury Regulations and guidance thereunder ("***Section 409A***") and will be construed and administered in such a manner. Subject to the satisfaction of the withholding obligations set forth in this Agreement, in the event one or more Restricted Stock Units vests, the Company shall issue to you one (1) share of Common Stock for each Restricted Stock Unit that vests (subject to any adjustment under Section 3 above) on the first to occur of the following (such date, the "***Settlement Date***") or such later date that is not later than December 31 of

the calendar year in which the Settlement Date occurs as set forth in Section 6(b)(i) below, except as may be required pursuant to Section 23 of this Agreement:

i. May 22, 2026;

ii.the date of your Disability;

iii. the date of your death; or

iv. the date of a Change in Control that would also constitute a "change in control event" (as defined under Treas. Reg. Section 1.409A-3(i)(5)).

b. If the date that shares would otherwise be distributed pursuant to Section 6(a) (the "***Original Issuance Date***") falls on a date that is not a business day, delivery shall instead occur on the next following business day. In addition, if:

i. the Original Issuance Date does not occur (1) during an "open window period" applicable to you, as determined by the Company in accordance with the Company's then-effective policy on trading in Company securities, or (2) on a date when you are otherwise permitted to sell shares of Common Stock on an established stock exchange or stock market, *and*

ii. either (1) Withholding Taxes (as defined below) do not apply, or (2) the Company decides, prior to the Original Issuance Date, (A) not to satisfy the Withholding Taxes by withholding shares of Common Stock from the shares otherwise due, on the Original Issuance Date, to you under this Award, and (B) not to permit you to pay your Withholding Taxes in cash,

then the shares that would otherwise be issued to you on the Original Issuance Date will not be delivered on such Original Issuance Date and will instead be delivered on the first business day when you are not prohibited from selling shares of the Company's Common Stock in the open public market, but in no event later than December 31 of the calendar year in which the Original Issuance Date occurs (that is, the last day of your taxable year in which the Original Issuance Date occurs).

c. The form of delivery (*e.g.*, a stock certificate or electronic entry evidencing such shares) shall be determined by the Company.

7. DIVIDENDS. You shall receive no benefit or adjustment to your Award with respect to any cash dividend, stock dividend or other distribution that does not result from a Capitalization Adjustment.

8. RESTRICTIVE LEGENDS. The shares of Common Stock issued under your Award shall be endorsed with appropriate legends as determined by the Company.

9. EXECUTION OF DOCUMENTS. You hereby acknowledge and agree that the manner selected by the Company by which you indicate your consent to your Grant Notice is also deemed to be your execution of your Grant Notice and of this Agreement. You further agree that such manner of indicating consent may be relied upon as your signature for establishing your execution of any documents to be executed in the future in connection with your Award.

10. AWARD NOT A SERVICE CONTRACT.

a. Nothing in this Agreement (including, but not limited to, the vesting of your RSUs or the issuance of the shares subject to your RSUs), the Plan or any covenant of good faith and fair dealing that may be found implicit in this Agreement or the Plan shall: (i) confer upon you any right to continue in the employ of, or affiliation with, the Company or an Affiliate; (ii) constitute any promise or commitment by the Company or an Affiliate regarding the fact or nature of future positions, future work assignments, future compensation or any other term or condition of employment or affiliation; (iii) confer any right or benefit under this Agreement or the Plan unless such right or benefit has specifically accrued under the terms of this Agreement or Plan; or (iv) deprive the Company of the right to terminate you at will and without regard to any future vesting opportunity that you may have.

b. The Company has the right to reorganize, sell, spin-out or otherwise restructure one or more of its businesses or Affiliates at any time or from time to time, as it deems appropriate (a "***reorganization***"). Such a reorganization could result in the termination of your Continuous Service, or the termination of Affiliate status of your employer and the loss of benefits available to you under this Agreement, including but not limited to, the termination of the right to continue vesting in the Award. This Agreement, the Plan, the transactions contemplated hereunder and the vesting schedule set forth herein or any covenant of good faith and fair dealing that may be found implicit in any of them do not constitute an express or implied promise of continued engagement as an employee or consultant for the term of this Agreement, for any period, or at all, and shall not interfere in any way with the Company's right to conduct a reorganization.

11. WITHHOLDING OBLIGATIONS.

a. On each vesting date, and on or before the time you receive a distribution of the shares underlying your Restricted Stock Units, and at any other time as reasonably requested by the Company in accordance with applicable tax laws, you hereby authorize

any required withholding from the Common Stock issuable to you and/or otherwise agree to make adequate provision in cash for any sums required to satisfy the federal, state, local and foreign tax withholding obligations of the Company or any Affiliate that arise in connection with your Award (the "***Withholding Taxes***"). Additionally, the Company or any Affiliate may, in its sole discretion, satisfy all or any portion of the Withholding Taxes obligation relating to your RSUs by any of the following means or by a combination of such means: (i) withholding from any compensation otherwise payable to you by the Company; (ii) causing you to tender a cash payment; (iii) permitting or requiring you to enter into a "same day sale" commitment, if applicable, with a broker-dealer that is a member of the Financial Industry Regulatory Authority (a "***FINRA Dealer***") whereby you irrevocably elect to sell a portion of the shares to be delivered in connection with your Restricted Stock Units to satisfy the Withholding Taxes and whereby the FINRA Dealer irrevocably commits to forward the proceeds necessary to satisfy the Withholding Taxes directly to the Company and/or its Affiliates; or (iv) withholding shares of Common Stock from the shares of Common Stock issued or otherwise issuable to you in connection with the Award with a Fair Market Value (measured as of the date shares of Common Stock are issued to pursuant to Section 6) equal to the amount of such Withholding Taxes; *provided*, *however*, that to the extent necessary to qualify for an exemption from application of Section 16(b) of the Exchange Act, if applicable, such share withholding procedure will be subject to the express prior approval of the Compensation Committee of the Board.

b. Unless the tax withholding obligations of the Company and/or any Affiliate are satisfied, the Company shall have no obligation to deliver to you any Common Stock.

c. In the event the Company's obligation to withhold arises prior to the delivery to you of Common Stock or it is determined after the delivery of Common Stock to you that the amount of the Company's withholding obligation was greater than the amount withheld by the Company, you agree to indemnify and hold the Company harmless from any failure by the Company to withhold the proper amount.

12. TAX CONSEQUENCES. The Company has no duty or obligation to minimize the tax consequences to you of this Award and shall not be liable to you for any adverse tax consequences to you arising in connection with this Award. You are hereby advised to consult with your own personal tax, financial and/or legal advisors regarding the tax consequences of this Award and by signing the Grant Notice, you have agreed that you have done so or knowingly and voluntarily declined to do so. You understand that you (and not the Company) shall be responsible for your own tax liability that may arise as a result of this investment or the transactions contemplated by this Agreement.

13. UNSECURED OBLIGATION. Your Award is unfunded, and as a holder of vested RSUs, you shall be considered an unsecured creditor of the Company with respect to the Company's obligation, if any, to issue shares or other property pursuant to this Agreement. You shall not have voting or any other rights as a stockholder of the Company with respect to the shares to be issued pursuant to this Agreement until such shares are issued to you pursuant to Section 6 of this Agreement. Upon such issuance, you will obtain full voting and other rights as a stockholder of the Company. Nothing contained in this Agreement, 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 you and the Company or any other person.

14. NOTICES. Any notice or request required or permitted hereunder shall be given in writing to each of the other parties hereto and shall be deemed effectively given on the earlier of (i) the date of personal delivery, including delivery by express courier, or delivery via electronic means, or (ii) the date that is five (5) days after deposit in the United States Post Office (whether or not actually received by the addressee), by registered or certified mail with postage and fees prepaid, addressed at the following addresses, or at such other address(es) as a party may designate by ten (10) days' advance written notice to each of the other parties hereto:

COMPANY: Luna Innovations Incorporated
Attn: Stock Administrator
301 1st Street, SW, Suite 200
Roanoke, VA 24011

PARTICIPANT: Your address as on file with the Company
at the time notice is given

15. HEADINGS. The headings of the Sections in this Agreement are inserted for convenience only and shall not be deemed to constitute a part of this Agreement or to affect the meaning of this Agreement.

16. MISCELLANEOUS.

a. The rights and obligations of the Company under your Award shall be transferable by the Company to any one or more persons or entities, and all covenants and agreements hereunder shall inure to the benefit of, and be enforceable by, the Company's successors and assigns.

b. You agree upon request to execute any further documents or instruments necessary or desirable in the sole determination of the Company to carry out the purposes or intent of your Award.

c. You acknowledge and agree that you have reviewed your Award in its entirety, have had an opportunity to obtain the advice of counsel prior to executing and accepting your Award and fully understand all provisions of your Award.

d. This Agreement shall be subject to all applicable laws, rules, and regulations, and to such approvals by any governmental agencies or national securities exchanges as may be required.

e. All obligations of the Company under the Plan and this Agreement shall be binding on any successor to the Company, whether the existence of such successor is the result of a direct or indirect purchase, merger, consolidation, or otherwise, of all or substantially all of the business and/or assets of the Company.

17. GOVERNING PLAN DOCUMENT. Your Award is subject to all the provisions of the Plan, the provisions of which are hereby made a part of your Award, and is further subject to all interpretations, amendments, rules and regulations which may from time to time be promulgated and adopted pursuant to the Plan. Your Award (and any compensation paid or shares issued under your Award) is subject to recoupment in accordance with The Dodd-Frank Wall Street Reform and Consumer Protection Act and any implementing regulations thereunder (the "***Dodd-Frank Act***"), any clawback policy adopted by the Company pursuant to the Dodd-Frank Act or otherwise and any compensation recovery otherwise required by applicable law. No recovery of compensation under such a clawback policy will be an event giving rise to a right to voluntarily terminate employment upon a resignation for "good reason," or for a "constructive termination" or any similar term under any plan of or agreement with the Company.

18. EFFECT ON OTHER EMPLOYEE BENEFIT PLANS. The value of the RSUs subject to this Agreement or the stock underlying the RSUs upon issuance to you shall not be included as compensation, earnings, salaries, or other similar terms used when calculating benefits under any employee benefit plan (other than the Plan) sponsored by the Company or any Affiliate except as such plan otherwise expressly provides. The Company expressly reserves its rights to amend, modify, or terminate any or all of the employee benefit plans of the Company or any Affiliate.

19. CHOICE OF LAW. The interpretation, performance and enforcement of this Agreement shall be governed by the law of the State of Delaware without regard to that state's conflicts of laws rules.

20. SEVERABILITY. If all or any part of this Agreement or the Plan is declared by any court or governmental authority to be unlawful or invalid, such unlawfulness or invalidity shall not invalidate any portion of this Agreement or the Plan not declared to be unlawful or invalid.

Any Section of this Agreement (or part of such a Section) so declared to be unlawful or invalid shall, if possible, be construed in a manner which will give effect to the terms of such Section or part of a Section to the fullest extent possible while remaining lawful and valid.

21. OTHER DOCUMENTS. You acknowledge receipt of and the right to receive a document providing the information required by Rule 428(b)(1) promulgated under the Securities Act, which includes the Plan prospectus. In addition, you acknowledge receipt of the Company's Insider Trading Policy.

22. AMENDMENT. This Agreement may not be modified, amended or terminated except by an instrument in writing, signed by you and by a duly authorized representative of the Company. Notwithstanding the foregoing, this Agreement may be amended solely by the Board by a writing which specifically states that it is amending this Agreement, so long as a copy of such amendment is delivered to you, and provided that, except as otherwise expressly provided in the Plan, no such amendment materially adversely affecting your rights hereunder may be made without your written consent. Without limiting the foregoing, the Board reserves the right to change, by written notice to you, the provisions of this Agreement in any way it may deem necessary or advisable to carry out the purpose of the Award as a result of any change in applicable laws or regulations or any future law, regulation, ruling, or judicial decision, provided that any such change shall be applicable only to rights relating to that portion of the Award which is then subject to restrictions as provided herein.

23. COMPLIANCE WITH SECTION 409A OF THE CODE. This Award is intended to comply with Section 409A and, accordingly, to the maximum extent permitted, this Agreement will be interpreted and administered to be in compliance with Section 409A. If you are a "Specified Employee" (within the meaning set forth in Section 409A(a)(2)(B)(i) of the Code) as of the date of your "separation from service" (within the meaning of Treasury Regulation Section 1.409A-1(h) and without regard to any alternative definition thereunder), then the issuance of any shares that would otherwise be made upon the date of the separation from service or within the first six (6) months thereafter will not be made on the originally scheduled date(s) and will instead be issued in a lump sum on the date that is six (6) months and one day after the date of the separation from service, with the balance of the shares issued thereafter in accordance with the original vesting and issuance schedule set forth above, but if and only if such delay in the issuance of the shares is necessary to avoid the imposition of adverse taxation on you in respect of the shares under Section 409A of the Code. Each installment of shares that vests is intended to constitute a "separate payment" for purposes of Treasury Regulation Section 1.409A-2(b)(2). Notwithstanding anything to the contrary in the Plan or this Agreement, none of the Company, its Affiliates, the Board or the Committee will have any obligation to take any action to prevent the assessment of any excise tax or penalty under Section 409A and none of the Company, its Affiliates, the Board or the Committee will have any liability to you for such tax or penalty.

* * * * *

This Restricted Stock Unit Agreement shall be deemed to be signed by the Company and the Participant upon the signing by the Participant of the Restricted Stock Unit Grant Notice to which it is attached.

March 24, 2024

Scott A. Graeff

VIA EMAIL

Dear Scott:

This letter sets forth the substance of the separation agreement (the "***Agreement***") that Luna Innovations Incorporated (the "***Company***") is offering to you to aid in your employment transition.

1. CEO Retirement Date. You have tendered and the Company has accepted your retirement effective today (the "***Separation Date***"). As of the Separation Date, you will cease to serve as Chief Executive Officer, as an officer of the Company and any subsidiary or affiliate of the Company, any role or position in which you are acting as a representative or agent of the Company, your role as a director of the board of directors of the Company (the "***Board***") and any role as a director of the board of directors of any subsidiary or affiliate of the Company. You agree to submit such documentation as the Board may require to confirm your retirement as of the Separation Date

2. Accrued Salary. In the next regularly scheduled Company payroll cycle after the Separation Date, the Company will pay you all accrued salary and all accrued and unused vacation/PTO, as applicable, earned through the Separation Date. You are entitled to this payment by law and it will be subject to all applicable standard payroll deductions and withholdings.

3. Initial Severance. In consideration of your timely execution of this Agreement and compliance with your continuing obligations to the Company hereunder and under any agreement, plan or policy, the Company will provide you with the following severance benefits:

(a) The Company will make severance payments to you in an amount equal to **three (3) months** of your current base salary, less applicable deductions and withholdings (the "***Cash Severance Payment***"). The Cash Severance Payment shall be made in the form of continuation of your base salary over a three (3) month period (the "***Severance Period***"), paid on the Company's ordinary payroll dates, beginning with the first such date which occurs at least eight (8) business days following the date it is timely executed by both parties.

(b) If you timely elect continued coverage under COBRA in the Company's group health plans, then, as an additional severance benefit, the Company will pay the full COBRA premium to continue your coverage (including coverage for eligible dependents, if applicable) in effect for yourself (and your eligible dependents, if applicable) until the earliest of: (A) **nine (9) months** following the Separation Date; (B) the expiration of your eligibility for the continuation coverage under COBRA; or (C) the date when you become eligible for substantially equivalent

health insurance coverage in connection with new employment or self-employment (such period from the Separation Date through the earliest of (A) through (C), the "***COBRA Payment Period***"). Notwithstanding the foregoing, if at any time the Company determines, in its sole discretion, that the payment of the COBRA premiums would result in a violation of the nondiscrimination rules of Section 105(h)(2) of the Code or any statute or regulation of similar effect (including but not limited to the 2010 Patient Protection and Affordable Care Act, as amended by the 2010 Health Care and Education Reconciliation Act), then provided you remain eligible for reimbursement in accordance with this Section 3(b), in lieu of providing the COBRA premiums, the Company will instead pay you on the last day of each remaining month of the COBRA Payment Period, a fully taxable cash payment equal to the COBRA premiums for that month, subject to applicable tax withholdings for the remainder of the COBRA Payment Period. You may, but are not obligated to, use the Company's COBRA reimbursement payment toward medical expenses. If you become eligible for coverage under another employer's group health plan through self-employment or otherwise cease to be eligible for COBRA during the period provided in this clause, you must immediately notify the Company of such event, and all payments and obligations under this clause will cease.

4. Additional Severance. In addition, provided you timely execute the updated release of claims attached hereto as **Exhibit A** (the "***ADEA Release***"), no earlier than the Separation Date and no later than twenty-one (21) days after you receive it, and do not revoke the ADEA release contained therein, then the Company will:

(a) make additional severance payments to you in an amount equal to **six (6) months** of your current base salary, less applicable deductions and withholdings (the "***Additional Severance Payments***"). The Additional Severance Payments will be subject to standard payroll deductions and withholdings and will be made on the Company's ordinary payroll dates, beginning with the first such date which occurs following the completion of the Cash Severance Payments, and provided that such date is after the "ADEA Release Effective Date" as defined in the ADEA Release, provided the Company has received the executed ADEA Release from you on or before that date; and

(b) As of the ADEA Release Effective Date, the Company will accelerate the vesting of 10,000 of the unvested restricted stock units ("***RSUs***") subject to that certain time-vested RSU award that was granted to you by the Company on January 6, 2022 pursuant to the Company's 2016 Equity Incentive Plan (the "***Equity Plan***") and an RSU award agreement thereunder (the "***RSU Agreement***" and such RSUs, the "***Accelerated RSUs***"). For clarity, (i) any unvested equity awards held by you as of the Separation Date that are not the Accelerated RSUs, including, but not limited to, any other time-vested equity awards and any equity awards that are subject to performance-based vesting conditions, shall be forfeited as of the Separation Date, and (ii) to the extent that you do not timely execute or that you revoke the ADEA Release, the Accelerated RSUs shall be immediately forfeited. Notwithstanding anything in the Equity Plan or RSU Agreement to the contrary, to the extent that the vesting described in this Section 4(b) applies, (1) the Accelerated RSUs shall be settled in shares of Company common stock after the ADEA Release Effective Date on a date determined by the Company, but no later than December 31, 2024, and (2) any applicable taxes and withholding obligations associated with the vesting and settlement of the Accelerated RSUs shall be satisfied via a net settlement.

Except as provided herein, the Accelerated RSUs shall remain subject to the terms of the Equity Plan and the RSU Agreement.

5. Health Insurance. Unless you follow the procedures set forth in this paragraph, your participation in the Company's group health insurance plan will end on the last day of the month in which the Separation Date occurs. To the extent provided by the federal COBRA law or, if applicable, state insurance laws, and by the Company's current group health insurance policies, you will be eligible to continue your group health insurance benefits following the Separation Date. Later, you may be able to convert to an individual policy through the provider of the Company's health insurance, if you wish. You will be provided with a separate notice describing your rights and obligations under COBRA and a form for electing COBRA coverage.

6. Other Compensation or Benefits. You acknowledge that, except as expressly provided in this Agreement, you have not earned and will not receive from the Company any additional compensation (including base salary, bonus, incentive compensation, or equity), severance, or benefits after the Separation Date, with the exception of any vested right you may have under the express terms of a written ERISA-qualified benefit plan (e.g., 401(k) account), any vested stock options or accrued health benefit.

7. Expense Reimbursements. You agree that, within five (5) calendar days after the Separation Date, you will submit your final documented expense reimbursement statement reflecting all business expenses you incurred through the Separation Date, if any, for which you seek reimbursement. The Company will reimburse you for these expenses pursuant to its regular business practice and policies.

8. Release of Claims.

(a) Scope of Release. In exchange for the consideration provided to you under this Agreement to which you would not otherwise be entitled, you hereby generally and completely release the Company, and its affiliated, related, parent and subsidiary entities, and its and their current and former directors, officers, employees, shareholders, partners, agents, investors, administrators, attorneys, benefit plans, plan administrators, professional employer organization or co-employer, trustees, divisions, predecessors, successors, insurers, affiliates, and assigns (collectively, the "***Releasees***") from any and all claims, liabilities, demands, causes of action, and obligations, both known and unknown, arising from or in any way related to events, acts, conduct, or omissions occurring at any time prior to and including the date you sign this Agreement. This general release includes, but is not limited to: (a) all claims arising from or in any way related to your employment or relationship with the Releasees or the termination of that employment or relationship; (b) all claims related to your compensation or benefits from the Releasees, including salary, bonuses, commissions, vacation pay, expense reimbursements, severance pay, fringe benefits, stock, stock options, or any other ownership, equity, or profits interests in the Company; (c) all claims for breach of contract, including the Employment Agreement (as defined below), wrongful termination, and breach of the implied covenant of good faith and fair dealing; (d) all tort claims, including claims for fraud, defamation, emotional distress, and discharge in violation of public policy; and (e) all federal, state, and local statutory claims, including claims for discrimination, harassment, retaliation, attorneys' fees, or other claims arising under the federal Civil Rights Act of 1964 (as amended), and the Virginia Human Rights Act.

(b) Exceptions. Notwithstanding the foregoing, you are not releasing the Releasees hereby from: (i) any obligation to indemnify you pursuant to the Articles and Bylaws

of the Company or any of the other Releasees, any valid fully executed indemnification agreement with the Company or any of the other Releasees, applicable law, or applicable directors and officers liability insurance; (ii) any claims that cannot be waived by law; or (iii) any claims for breach of this Agreement.

(c) Protected Rights. You understand that nothing in this Agreement limits your ability to file a charge or complaint with the Equal Employment Opportunity Commission, the Department of Labor, the National Labor Relations Board, the Occupational Safety and Health Administration, the Securities and Exchange Commission, or any other federal, state, or local governmental agency or commission ("***Government Agencies***"). You further understand this Agreement does not limit your ability to communicate with any Government Agencies or otherwise participate in any investigation or proceeding that may be conducted by any Government Agency, including providing documents or other information, without notice to the Company. While this Agreement does not limit your right to receive an award for information provided to the Securities and Exchange Commission, you understand and agree that, to the maximum extent permitted by law, you are otherwise waiving any and all rights you may have to individual relief based on any claims that you have released and any rights you have waived by signing this Agreement. Nothing in this Agreement waives any rights you may have under Section 7 of the National Labor Relations Act (subject to the release of claims set forth herein).

9. Return of Company Property. You agree that within ten (10) days of the Separation Date, you will return to the Company all Company documents (and all copies thereof) and other Company property in your possession or control, including, but not limited to, Company files, notes, drawings, records, plans, forecasts, reports, studies, analyses, proposals, agreements, drafts, financial and operational information, research and development information, sales and marketing information, customer lists, prospect information, pipeline reports, sales reports, personnel information, specifications, code, software, databases, computer-recorded information, tangible property and equipment (including, but not limited to, computing and electronic devices, mobile telephones, servers), credit cards, entry cards, identification badges and keys; and any materials of any kind which contain or embody any proprietary or confidential information of the Company (and all reproductions or embodiments thereof in whole or in part). You agree that you will make a diligent search to locate any such documents, property and information by the close of business on the Separation Date or as soon as possible thereafter. If you have used any personally owned computer or other electronic device, server, or e-mail system to receive, store, review, prepare or transmit any Company confidential or proprietary data, materials or information, by the Separation Date, you shall provide the Company with a computer-useable copy of such information and then permanently delete and expunge such Company confidential or proprietary information from those systems; and you agree to provide the Company access to your system as requested to verify that the necessary copying and/or deletion is completed. Notwithstanding the foregoing, the Company will allow you to retain your Company-issued laptop, provided that you certify (to the satisfaction of the Company) that you have deleted or destroyed all Company data on it and agree to provide it to the Company upon reasonable request for verification.

10. Continuing Obligations. You acknowledge and reaffirm any continuing obligations under your Amended and Restated Employment Agreement dated as of April 1, 2022 (the "***Employment Agreement***") (including your cooperation obligation under Section 6.5 thereof and Resolution of Disputes obligations under Section 7.9) and any other confidentiality, non-disclosure and developments agreement, non-competition, non-solicitation, or similar type agreement between you and the Company, including your Confidential Information, Inventions

Assignment, Non-competition and Non-Solicitation Agreement (the "***Confidentiality Agreement***"), attached as **Exhibit B**.

11. Mutual Non-disparagement. Except to the extent permitted by the Protected Rights Section above, you agree to refrain from any disparaging statements about the Company or any of the other Releasees, including, without limitation, the business, products, intellectual property, financial standing, future, or employment/compensation/benefit practices of the Company or any of the other Releasees; provided that you may respond accurately and fully to any request for information if required by legal process or in connection with any Company or governmental investigation. The Company agrees not to disparage you in any manner likely to be harmful to you or your business, business reputation or personal reputation. Notwithstanding the foregoing, both parties may respond accurately and fully to any question, inquiry or request for information when required by legal process, in connection with any of its communications with Government Agencies or other regulatory bodies and/or, in the Company's case, the Company may make such disclosures as required to conduct its business and/or as are required by the SEC or other regulatory bodies, applicable listing rules or other applicable laws or regulations and the Company may freely share information with its auditors and with Government Agencies or other regulatory bodies. The Company's obligations under this Section are limited to Company's directors and officers. In addition, nothing in this provision or this Agreement prohibits or restrains you from making disclosures protected under the whistleblower provisions of federal or state law or from exercising your rights to engage in protected speech under Section 7 of the National Labor Relations Act, if applicable. **Your violation of this provision shall be a material breach of this Agreement.**

12. No Voluntary Adverse Action**.** You agree that you will not voluntarily (except in response to legal compulsion or as permitted under the Protected Rights Section above) assist any person in bringing or pursuing any proposed or pending litigation, arbitration, administrative claim, proxy contests, or other formal proceeding against any Releasee.

13. Cooperation**.** You agree to take reasonable efforts to cooperate fully with the Company in connection with its actual or contemplated defense, prosecution, or investigation of any claims or demands asserted against it (and, as applicable, its current or former employees, officers, directors or representatives) or other matters arising from events, acts, or failures to act that occurred during the period of your employment by the Company. Such cooperation includes, without limitation, making yourself available to the Company upon reasonable notice, without subpoena, to provide complete, truthful and accurate information in witness interviews, depositions, and trial testimony. The Company will make reasonable efforts to coordinate any request for your witness interview, deposition, or trial testimony with your attorney. The Company will reimburse you for reasonable out-of-pocket expenses you incur in connection with any such cooperation (excluding foregone wages) and will make reasonable efforts to accommodate your scheduling needs. You further agree that you will cooperate with the Company in matters relating to corporate governance matters, Company communications and the transition of your work and responsibilities on behalf of the Company. In addition, you agree that you will not, and that you will cause your affiliates, agents and representatives not to, effect or seek or participate in, directly or indirectly, with any other person (i) any acquisition or offer, or seek to acquire, agree to acquire or acquire rights to acquire in a manner designed to effect or obtain control of the Company, (ii) the formation or joining or participation in any way in any group or agreement of any kind with respect to any voting securities of the Company or deposit of any voting securities of the Company in any voting trust or subject any voting securities of the Company to any arrangement or agreement with respect to the voting thereof, (iii) solicit or attempt to solicit or influence or encourage or participate in any solicitation of proxies or

consents to vote any securities of the Company, (iv) nominate or seek to nominate any person to, or remove any person from, the Company's Board or submit, initiate, make or be a proponent of, or assist, influence or encourage, any stockholder proposal for consideration at, or bring any other business before, any stockholder meeting of the Company, (v) seek to control or influence the management, governance, corporate structure, affairs or policies, or the Board of the Company or (vi) sell or otherwise transfer your shares of common stock of the Company, other than in open market sale transactions where the identity of the purchaser is not known or in underwritten widely dispersed public offerings, to any third party that, to your knowledge, would result in such third party, together with its affiliates and associates, owning, controlling or otherwise having any beneficial or other ownership interest in the aggregate of more than 4.99% of the shares of common stock of the Company outstanding at such time or would increase the beneficial ownership interest of any third party who, together with its affiliates and associates, has a beneficial or other ownership interest in the aggregate of more than 4.99% of the shares of common stock outstanding at such time. **Your violation of this Section 13 shall be a material breach of this Agreement.**

14. No Admissions. You understand and agree that the promises and payments in consideration of this Agreement shall not be construed to be an admission of any liability or obligation by the Company to you or to any other person, and that the Company makes no such admission.

15. Breach. You agree that upon any breach by you of this Agreement between the Effective Date and five (5) years thereafter, you will forfeit all amounts paid or owing to you under this Agreement. Further, you acknowledge that it may be impossible to assess the damages caused by your violation of the terms of Sections 9, 10, 11, 12 and 13 of this Agreement and further agree that any threatened or actual violation or breach of those Sections of this Agreement will constitute immediate and irreparable injury to the Company. You therefore agree that any such breach of this Agreement is a material breach of this Agreement, and, in addition to any and all other damages and remedies available to the Company upon your breach of this Agreement, the Company shall be entitled to an injunction to prevent you from violating or breaching this Agreement.

16. Representations. You hereby represent that you have: been paid all compensation owed and for all hours worked; received all leave and leave benefits and protections for which you are eligible pursuant to the Family and Medical Leave Act, or otherwise; and not suffered any on-the-job injury for which you have not already filed a workers' compensation claim. You acknowledge that you are knowingly and voluntarily waiving and releasing any rights you may have and that the consideration given for this Agreement is in addition to anything of value to which you are already entitled.

17. Tax Provisions. All payments and benefits under this Agreement will be subject to applicable withholding for federal, state, foreign, provincial and local taxes. It is intended that all of the benefits and other payments payable under this Agreement satisfy, to the greatest extent possible, an exemption from the application of Section 409A of the Internal Revenue Code of 1986, as amended, including any applicable regulations and guidance thereunder ("***Section 409A***") and this Agreement will be construed to the greatest extent possible as consistent with those provisions, and to the extent not so exempt, this Agreement will be construed in a manner that complies with Section 409A, and any ambiguities herein shall be interpreted accordingly. Specifically, the severance benefits under this Agreement are intended to satisfy the exemptions from application of Section 409A provided under Treasury Regulations Sections 1.409A-1(b)(4), 1.409A-1(b)(5) and 1.409A-1(b)(9) and each installment of severance

benefits, if any, is a separate "payment" for purposes of Treasury Regulations Section 1.409A-2(b)(2)(i). However, if such exemptions are not available and you are, as of your "separation from service," as such term is defined in Treasury Regulations Section 1.409A-1(h) ("***Separation from Service***"), a "specified employee" for purposes of Section 409A, then, solely to the extent necessary to avoid adverse personal tax consequences under Section 409A, the timing of the severance benefits payments shall be delayed until the earlier of (i) six months and one day after your Separation from Service, or (ii) your death. Severance benefits shall not commence until you have a Separation from Service. If severance benefits are not covered by one or more exemptions from the application of Section 409A and the release could become effective in the calendar year following the calendar year in which the Separation from Service occurs, the release will not be deemed effective, for purposes of payment of severance benefits, any earlier than the first day of the second calendar year. Except to the minimum extent that payments must be delayed because you are a "specified employee" or until the effectiveness of the release, all severance amounts will be paid as soon as practicable in accordance with this Agreement and the Company's normal payroll practices.

18. Clawback Provisions. To the extent permitted by applicable law, 100% of all cash severance payments provided under this Agreement and all shares underlying the Accelerated RSUs (or, if you have sold any of the shares of Company common stock received in settlement of such Accelerated RSUs, the economic value thereof) will be subject to recoupment or immediate forfeiture to the Company: (1) in accordance with applicable law or listing requirements, including pursuant to the Company's Incentive Compensation Recoupment Policy adopted by the Board in November 17, 2023 and the requirements of Section 304 of the Sarbanes-Oxley Act of 2002; (2) in accordance with the Luna Innovations Incorporated Policy for Recoupment of Incentive Compensation, adopted by the Board effective February 26, 2019; and/or (3) upon either (x) a written determination in the reasonable, good faith discretion of the Board that you engaged in conduct that constituted "Cause" under the Employment Agreement (either before or following the Separation Date) or a material breach of your continuing obligations to the Company under this Agreement, the Employment Agreement and/or the Confidentiality Agreement, or (y) a finding by a court of competent jurisdiction that you engaged in bad faith conduct ((1), (2) or (3), a "***Clawback Event***"). For clarity, amounts subject to recoupment or cancellation pursuant to a Clawback Event will be computed without regard to any taxes paid (*i.e.*, on a gross basis without regard to tax withholdings and other deductions) and the Board or authorized committee thereof may determine in its reasonable, good faith discretion, the appropriate method for recouping or cancelling amounts, which may include, without limitation, requiring reimbursement of amounts previously paid, seeking recovery of any proceeds realized in respect of equity awards or shares issued thereunder, cancelling or rescinding any outstanding equity-based awards adjusting unpaid compensation or other set offs or any other method permitted by applicable law.

No recovery of compensation under any such Clawback Event will be an event giving rise to a right to resign for good reason, constructive termination, or any similar term under any plan of or agreement with the Company. Notwithstanding any indemnification agreement, applicable insurance policy or any other agreement or provision of the Company's certificate of incorporation or bylaws to the contrary, you shall not be entitled to indemnification or advancement of expenses in connection with any enforcement of this Section 18 by the Company. The determination of whether a Clawback Event described above (other than in connection with 3(y)) has occurred, whether to recoup or forfeit and/or the extent of any such recoupment or forfeiture appropriate and the method of such recoupment shall be determined by the Board in its reasonable, good faith discretion and provided further that in the event of any litigation, pre-suit demand, government investigation or similar proceeding relating to an action

or event that may constitute a Clawback Event under 3(x) above, the Board's determination may be deferred until such time as the Board determines to be appropriate, in its reasonable, good faith discretion.

19. Miscellaneous. This Agreement, including its exhibits, constitutes the complete, final, and exclusive embodiment of the entire agreement between you and the Company with regard to its subject matter, and supersedes and replaces any and all prior agreements and understandings concerning the subject matter of this Agreement and your relationship with the Company. It is entered into without reliance on any promise or representation, written or oral, other than those expressly contained herein, and it supersedes any other such promises, warranties, or representations. This Agreement may not be modified or amended except in a writing signed by both you and a duly authorized officer of the Company. This Agreement will bind the heirs, personal representatives, successors and assigns of both you and the Company, and inure to the benefit of both you and the Company, their heirs, successors and assigns. If any provision of this Agreement is determined to be invalid or unenforceable, in whole or in part, this determination will not affect any other provision of this Agreement and the provision in question will be modified by the court so as to be rendered enforceable to the fullest extent permitted by law, consistent with the intent of the parties. This Agreement will be deemed to have been entered into and will be construed and enforced in accordance with the laws of the Commonwealth of Virginia without regard to conflict of laws principles. Any ambiguity in this Agreement shall not be construed against either party as the drafter. Any waiver of a breach of this Agreement shall be in writing and shall not be deemed to be a waiver of any successive breach. This Agreement may be executed in counterparts and electronic or facsimile signatures will suffice as original signatures. You acknowledge that you have been advised that you should consult with an attorney prior to signing this Agreement (although you may choose voluntarily not to do so).

[signatures to follow on next page]

Sincerely,

Luna Innovations Incorporated

By: /s/ Richard W. Roedel
Richard W. Roedel
Chair of the Board of Directors

I HAVE READ, UNDERSTAND AND AGREE FULLY TO THE FOREGOING AGREEMENT:

/s/ Scott A. Graeff
Scott A. Graeff

Exhibit A: ADEA Release
Exhibit B: Confidential Information, Inventions Assignment, Non-competition and Non-Solicitation Agreement

Exhibit A

ADEA RELEASE

(To be signed and returned to the Company no earlier than the Separation Date and no later than twenty-one (21) days after receipt)

Luna Innovations Incorporated (the "***Company***") and Scott A. Graeff (the "***Employee***") entered into a Separation Agreement dated **March 24, 2024** (the "***Agreement***"). The parties to that Agreement hereby further agree as follows:

1. A blank copy of this ADEA Release ("***ADEA Release***") was attached to the Agreement as Exhibit A and the parties agree that it is part of the Agreement.

2. In consideration of the Additional Severance described in Section 4 of the Agreement, if Employee timely executes this ADEA Release after the date Employee timely executes the Agreement, Employee hereby extends the release of claims in Section 8 of the Agreement to apply to any claims that arose through the date of this ADEA Release and extends the representations made in Section 16 of the Agreement through the date of this ADEA Release.

3. Employee also hereby extends the release of claims in Section 8 of the Agreement to any and all Claims under the federal Age Discrimination in Employment Act, as amended ("***ADEA***"). Employee acknowledges that he is knowingly and voluntarily waiving and releasing any rights he may have under the ADEA and that the consideration given for this ADEA Release is in addition to anything of value to which he was already entitled. Employee further acknowledges that he has been advised by this writing, as required by the ADEA, that: (1) this ADEA Release does not apply to any rights or Claims that arise after the date he signs this ADEA Release; (2) Employee should consult with an attorney prior to signing this ADEA Release; (3) Employee has been given twenty-one (21) calendar days to consider this ADEA Release (although he may choose to voluntarily execute this ADEA Release earlier, though not earlier than the Separation Date); (4) Employee has seven (7) calendar days following the date he signs this ADEA Release to revoke this paragraph 3 of the ADEA Release; and (5) this paragraph 3 of the ADEA Release will not be effective until the date upon which the revocation period has expired unexercised, which will be the eighth (8th) calendar day after Employee signs it (the date it becomes effective is the "***ADEA Release Effective Date***"). Revocation of this paragraph 3 is only effective upon receipt by the Company of a written revocation notice by Employee to the Chair of the Company's Board of Directors during the seven (7) day revocation period.

4. The parties agree that this ADEA Release is a part of the Agreement.

Understood, Accepted and Agreed:

LUNA INNOVATIONS INCORPORATED **EMPLOYEE**

By:__ _____

Richard W. Roedel
Chair of the Board

Scott A. Graeff

_____ _____

Date Date

Exhibit B
CONFIDENTIAL INFORMATION, INVENTIONS ASSIGNMENT, NON-COMPETITION AND NON-SOLICITATION AGREEMENT

Luna Innovations Announces CEO Transition

Richard Roedel Named Interim Executive Chairman and Interim President

Operations Committee of Board Established

ROANOKE, VA, March 25, 2024 -- Luna Innovations Incorporated (NASDAQ: LUNA) (the "Company"), a global leader in advanced fiber optic-based technology, today announced that Scott Graeff has retired from his role as President and Chief Executive Officer of the Company and has stepped down from the Board of Directors (the "Board"), leaving the Company after 21 years, including the last seven as President and Chief Executive Officer. The Board has initiated a search for a new President and Chief Executive Officer with the support of a leading international search firm.

To oversee the Company's operations while the search is ongoing, Richard Roedel, who has served as Chairman of the Board since 2010, has been appointed Executive Chairman and President on an interim basis. As Interim Executive Chairman and Interim President, Mr. Roedel will work closely with the Company's leadership team to ensure the Company continues to execute its strategy and serve its customers. To ensure the Board continues to maintain strong independent oversight, Mary Beth Vitale has been designated to serve as Lead Independent Director during the pendency of Mr. Roedel's service as Executive Chair. The Board has also established an Operations Committee, comprised of David Chanley, Barry Phelps and Gary Spiegel, to provide focused oversight of the Company during this transition period.

"Luna Innovations has a rich history of working in close collaboration with its customers and partners to develop best-in-class sensing, test and measurement, monitoring, and control solutions," said Mr. Roedel. "Our company's success is rooted in ensuring we operate in a manner that reflects the highest standards of integrity and with the openness and transparency that reflects the trust our customers put in us. We remain fully committed to our vision, mission, and values while advancing our leadership in fiber optic-based technology to enhance safety, security and connectivity in the world."

About Luna

Luna Innovations Incorporated (www.lunainc.com) is a leader in optical technology, providing unique capabilities in high-performance, fiber optic-based, test products for the telecommunications industry and distributed fiber optic-based sensing for a multitude of industries. Luna's business model is designed to accelerate the process of bringing new and innovative technologies to market.

Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the federal securities laws. Forward-looking statements in this press release relate to the expectations regarding the executive transition and governance changes, including the search for a new chief executive officer, and the

Company's ability to execute on its strategy, compete in the marketplace, and achieve its financial and strategic objectives. You can identify forward-looking statements by the use of words such as "may," "will," "could," "anticipate," "expect," "intend," "believe," "continue," or the negative of such terms, or other comparable terminology. Forward-looking statements include the assumptions underlying or relating to such statements. The Company has based these forward-looking statements largely on its current expectations and projections about future events and trends that we believe may affect its business, results of operations and financial condition. The outcomes of the events described in these forward-looking statements are subject to risks and uncertainties, including the uncertainties inherent in management changes, the results of the ongoing, previously reported, independent review of accounting and internal control matters, the Company's ability to maintain the continued listing of its common stock on the Nasdaq Stock Market, and such other factors described under the heading "Risk Factors" in the reports the Company files with the Securities and Exchange Commission. The Company cannot assure you that the events and circumstances reflected in the forward-looking statements will be achieved or occur, and actual results could differ materially from those expressed or implied in the forward-looking statements. The forward-looking statements made in this press release relate only to events as of the date of this press release. The Company undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date on which the statement is made.

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