

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): **October 4, 2001**

MICROVISION, INC.

(Exact name of registrant as specified in its charter)

Washington
(State or other jurisdiction
of incorporation)

0-21221
(Commission
File Number)

91-1600822
(IRS Employer
Identification No.)

19910 North Creek Parkway
Bothell, Washington
(Address of Principal Executive Office)

98011
(Zip Code)

Registrant's telephone number, including area code: **(425) 415-6847**

Item 5. *Other Events.*

Microvision, Inc. (the "Company") is offering 330,981 shares of the Company's common stock, no par value per share (the "Shares") for \$11.33 per share and warrants exercisable for 49,646 shares of the Company's common stock at \$14.62 per share. The shares and warrants are covered by the Company's Registration Statement on Form S-3 (the "Registration Statement") registration no. 333-69652. The purpose of this Current Report is to file the Placement Agent Agreement, the form of Warrant and the form of Stock Purchase Agreement.

Item 7. *Financial Statements and Exhibits.*

c) Exhibits.

- 1.1 Placement Agent Agreement between Microvision, Inc. and Ladenburg Thalmann & Co. Inc., dated October 4, 2001
- 4.1 Form of Warrant
- 5.1 Opinion on Legality
- 10.1 Form of Stock Purchase Agreement
- 23.1 Consent of Stoeel Rives LLP (See Exhibit 5.1)

2

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.

MICROVISION, INC.

By: /s/ Richard F. Rutkowski

Richard F. Rutkowski
President and Chief Executive Officer

Date: October 9, 2001

3

QuickLinks

[Item 5. Other Events.](#)

[Item 7. Financial Statements and Exhibits.](#)

[SIGNATURES](#)



October 4, 2001

Richard F. Rutkowski
President and Chief Executive Officer
Microvision, Inc.
19910 North Creek Parkway
Bothell, WA 98011

Dear Mr. Rutkowski:

The purpose of this letter agreement (the "Agreement") is to set forth the terms and conditions pursuant to which Ladenburg Thalmann & Co. Inc. ("LTCO") shall serve as placement agent in connection with the proposed offering (the "Offering") of equity securities (the "Securities"), of Microvision, Inc. (the "Company") pursuant to a shelf registration statement. The gross proceeds from the Offering will be approximately \$10,000,000. All references to dollars in this Agreement shall be to U.S. dollars. The terms of the Offering and the Securities shall be as agreed to between the Company and the purchasers thereof.

Upon the terms and subject to the conditions of this Agreement, the parties hereto agree as follows:

1. Appointment. Subject to the terms and conditions of this Agreement hereinafter set forth, the Company hereby engages LTCO as placement agent and financial advisor in connection with the Offering, and LTCO hereby agrees to act in such capacity, effective as of the date hereof. The Company expressly acknowledges and agrees that LTCO will perform its obligations hereunder on a reasonable best efforts basis only and that the execution of this Agreement does not constitute a commitment by LTCO to purchase the Securities and does not ensure the successful placement of the Securities or any portion thereof. LTCO shall not commence any selling efforts until the Registration Statement on Form S-3, Registration No. 333-69652, has been declared effective by the Securities and Exchange Commission.

2. Fees and Expenses. In consideration of the services to be rendered by LTCO in connection with the Offering, the Company agrees to pay LTCO the following fees and expenses:

- (a)
 - 1) warrants to purchase 2,500 shares of the Company's common stock for each \$1,000,000 of gross proceeds received by the Company (excluding any proceeds received by the Company upon the exercise of any exercisable securities sold in the Offering) attributable to purchases of Securities in the Offering by investors that are first introduced by LTCO to the Company. The warrants shall be issued to LTCO concurrently with each closing of the Offering and shall have the same exercise price as the warrants sold to the investors in the Offering or, if the Company does not sell warrants in the Offering, then at 125% of the fair market value of the Company's common stock. The warrants shall be substantially in the form set forth in Exhibit D;
 - 2) a cash fee payable upon each closing of the Offering equal to 5% of the gross proceeds received by the Company (excluding any proceeds received by the Company upon the exercise of any exercisable securities sold in the Offering) at each such closing; and
- (b) a \$10,000 non-accountable expense allowance payable upon the engagement of LTCO by the Company hereunder. Except as set forth in Exhibit B hereto, the Company shall not be obligated to reimburse LTCO for any other expenses incurred by LTCO in connection with the performance of its services hereunder.

For purposes of Section 2(a)(1) above, the "fair market value" of the Company's common stock shall be the volume weighted average price of the Company's common stock on the Nasdaq Stock Market as of the closing date of the Offering.

No fees shall be payable to LTCO upon the exercise or conversion of any exercisable or convertible securities sold by the Company to investors in the Offering.

3. Terms of Retention.

(a) Unless extended or terminated in writing by the parties hereto in accordance with the provisions hereof, this Agreement shall remain in effect until the earlier of December 31, 2001 or this Agreement is terminated by either party upon written notice to the other.

(b) Notwithstanding anything herein to the contrary, the obligation to pay the fees, if any, described in Section 2, paragraphs 2, 5, 8, 9 and 10 of Exhibit A, and Exhibit B and Exhibit C attached hereto, each of which exhibits is incorporated herein by reference, shall survive any termination or expiration of the Agreement. It is expressly understood and agreed by the parties hereto that any sale of Securities to, or any capital raising transaction involving, any of the investors in the Offering to whom the Company was first introduced by LTCO within the earlier of 12 months from the termination or expiration of this Agreement shall result in such fees being due and payable by the Company to LTCO under the same terms of Section 2 above.

4. [Not Used].

5. Information. The Company recognizes and confirms that in completing its engagement hereunder, LTCO will be using and relying solely on publicly available information and on data, material and other information furnished to LTCO by the Company or the Company's affiliates and agents. It is understood and agreed that in performing under this engagement, LTCO will rely upon the accuracy and completeness of, and is not assuming any responsibility for independent verification of, such publicly available information and the other information so furnished. Notwithstanding the foregoing, it is understood that LTCO will conduct a due diligence investigation of the Company and the Company will cooperate in all reasonable respects with such investigation as a condition of LTCO's performance of its obligations hereunder.

6. Registration. The Company represents and warrants to LTCO that (i) the Registration Statement has been declared effective by the SEC, and the Company has no

knowledge of any action or contemplated action by the SEC or any other regulatory authority with jurisdiction to issue any stop order or otherwise suspend the effectiveness of such Registration Statement; (ii) the Registration Statement (including any documents incorporated therein by reference) does not contain any untrue statement of any material fact concerning the Company or omit to state any material fact which, in light of the circumstances under which it was made, would cause any of the statements of fact contained therein to be misleading; (iii) the Registration Statement complies as to form and substance in all material respects with the requirements of Form S-3 under the Securities Act of 1933, as amended. From time to time in connection with any particular sale of Securities, the Company will, at its own expense, amend or supplement the Registration Statement in order that the foregoing representation remain complete and accurate.

7. No General Solicitation. The Securities will be offered only by approaching prospective purchasers on an individual basis. No general solicitation or general advertising, within the meaning of Rule 502 of Regulation D under the Securities Act of 1933, as amended, in any form will be used in connection with the offering of the Securities. From and after the execution of this Agreement until the closing of the Offering, the Company shall pre-clear any proposed press release which mentions this Agreement or the Offering with LTCO.

8. Closing. The closing of the sale of the Securities shall be subject to customary closing conditions, including the provision by the Company to LTCO of officers' certificates, an opinion of counsel and a "cold comfort" letter from the Company's auditors with respect to the first closing only.

9. Miscellaneous. This Agreement together with the attached Exhibits A through D constitutes the entire understanding and agreement between the parties with respect to its subject matter and there are no agreements or understandings with respect to the subject matter hereof which are not contained in this Agreement. This Agreement may be modified only in writing signed by both parties hereto.

If the foregoing correctly sets forth our agreement, please confirm this by signing and returning to us the duplicate copy of this letter.

We appreciate this opportunity to be of service and are looking forward to working with you on this matter.

Very truly yours,

LADENBURG THALMANN & CO. INC.

By: _____

Name:

Title:

Agreed to and accepted
as of the date first written above:

MICROVISION, Inc.

By: _____

Name:

Title:

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[Exhibit 1.1](#)

MICROVISION, INC.

WARRANT

Warrant No. []

Date of Original Issuance: October [], 2001

Microvision, Inc., a Washington corporation (the "Company"), hereby certifies that, for value received, [name of Holder] or its registered assigns (the "Holder"), has the right to purchase from the Company up to a total of [](1) shares of common stock, no par value per share (the "Common Stock"), of the Company (each such share, a "Warrant Share" and all such shares, the "Warrant Shares") at an exercise price equal to \$14.62 per share (as adjusted from time to time as provided in *Section 9*, the "Exercise Price"), at any time and from time to time from and after the date hereof and through and including October [], 2005 (the "Expiration Date"), and subject to the following terms and conditions.

(1) 15% of the Shares issued to original Holder on the Closing Date under the Purchase Agreement.

1. *Definitions.* For the purposes hereof, the following terms shall have the following meanings:

"*Trading Day*" means (a) a day on which the shares of Common Stock are traded on the Nasdaq National Market or Nasdaq SmallCap Market, New York Stock Exchange or American Stock Exchange (each a "Subsequent Market") on which the shares of Common Stock are then listed or quoted, or (b) if the shares of Common Stock are not listed on a Subsequent Market, a day on which the shares of Common Stock are traded in the over-the-counter market, as reported by the OTC, or (c) if the shares of Common Stock are not quoted on the OTC, a day on which the shares of Common Stock are quoted in the over-the-counter market as reported by the National Quotation Bureau Incorporated (or any similar organization or agency succeeding its functions of reporting prices); *provided*, that in the event that the shares of Common Stock are not listed or quoted as set forth in (a), (b) and (c) hereof, then Trading Day shall mean a Business Day.

"*Business Day*" means any day except Saturday, Sunday and any day which shall be a federal legal holiday in the United States or a day on which banking institutions in the State of New York or the State of Washington are authorized or required by law or other government action to close.

"*Person*" means a corporation, an association, a partnership, organization, a business, an individual, a government or political subdivision thereof or a governmental agency.

"*Exchange Act*" means the Securities Exchange Act of 1934, as amended.

2. *Registration of Warrant.* The Company shall register this Warrant, upon records to be maintained by the Company for that purpose (the "Warrant Register"), in the name of the record Holder hereof from time to time. The Company may deem and treat the registered Holder of this Warrant as the absolute owner hereof for the purpose of any exercise hereof or any distribution to the Holder, and for all other purposes, absent actual notice to the contrary.

3. *Registration of Transfers.* The Company shall register the transfer of any portion of this Warrant in the Warrant Register, upon surrender of this Warrant, with the Form of Assignment attached hereto duly completed and signed, to the Company at its address specified herein. Upon any such registration or transfer, a new warrant to purchase Common Stock, in substantially the form of this Warrant (any such new warrant, a "New Warrant"), evidencing the portion of this Warrant so transferred shall be issued to the transferee and a New Warrant evidencing the remaining portion of this Warrant not so transferred, if any, shall be issued to the transferring Holder. The delivery of the

New Warrant by the Company to the transferee thereof shall be deemed to constitute acceptance by such transferee of all of the rights and obligations of a holder of a Warrant.

4. *Exercise and Duration of Warrants.* This Warrant shall be exercisable by the registered Holder at any time and from time to time on or after the date hereof to and including the Expiration Date. At 6:30 p.m., New York City time on the Expiration Date, the portion of this Warrant not exercised prior thereto shall be and become void and of no value.

5. *Delivery of Warrant Shares.*

(a) Upon delivery of the Form of Election to Purchase to the Company (with the attached Warrant Shares Exercise Log) at its address for notice set forth in Section 14 and upon payment (in accordance with Section 10) of the Exercise Price multiplied by the number of Warrant Shares that the Holder intends to purchase hereunder, the Company shall promptly (but in no event later than three Trading Days after the Date of Exercise (as defined herein)) issue and deliver to the Holder, a certificate for the Warrant Shares issuable upon such exercise free of all legends. Any Person so designated by the Holder to receive Warrant Shares shall be deemed to have become holder of record of such Warrant Shares as of the Date of Exercise of this Warrant. The Company shall, upon request of the Holder, if available, use its best efforts to deliver Warrant Shares hereunder electronically through the Depository Trust Corporation or another established clearing corporation performing similar functions, *provided*, that, the Company may, but will not be required to change its transfer agent if its current transfer agent cannot deliver Warrant Shares electronically through the Depository Trust Corporation.

A "Date of Exercise" means the date on which the Holder shall have delivered to the Company (i) the Form of Election to Purchase attached hereto (with the Warrant Exercise Log attached to it), appropriately completed and duly signed and (ii) payment of the Exercise Price in accordance with Section 10 for the number of Warrant Shares so indicated by the Holder to be purchased.

(b) If the Company fails to deliver to the Holder a certificate or certificates representing the Warrant Shares issuable upon an exercise by the third Trading Day after the Date of Exercise, then the Holder will have the right to rescind such exercise.

(c) In addition to any other rights available to the Holder, if the Company fails to deliver to the Holder a certificate or certificates representing the Warrant Shares pursuant to an exercise by the third Trading Day after the Date of Exercise, and if after such third Trading Day the Holder purchases (in an open market transaction or otherwise) shares of Common Stock to deliver in satisfaction of a sale by the Holder of the Warrant Shares which the Holder anticipated receiving upon such exercise (a "Buy-In"), then the Company shall (1) pay in cash to the Holder the amount by which (x) the Holder's total purchase price (including brokerage commissions, if any) for the shares of Common Stock so purchased exceeds (y) the amount obtained by multiplying (A) the number of Warrant Shares that the Company was required to deliver to the Holder in connection with the exercise at issue by (B) the closing bid price of the Common Stock at the time of the obligation giving rise to such purchase

obligation and (2) at the option of the Holder, either reinstate the portion of the Warrant and equivalent number of Warrant Shares for which such exercise was not honored or deliver to the Holder the number of shares of Common Stock that would have been issued had the Company timely complied with its exercise and delivery obligations hereunder. For example, if the Holder purchases Common Stock having a total purchase price of \$11,000 to cover a Buy-In with respect to an attempted exercise of shares of Common Stock with a market price on the date of exercise totaled \$10,000, under clause (A) of the immediately preceding sentence the Company shall be required to pay the Holder \$1,000. The Holder shall provide the Company written notice indicating the amounts payable to the Holder in respect of the Buy-In.

2

(d) The Company's obligations to issue and deliver Warrant Shares in accordance with the terms hereof are absolute and unconditional, irrespective of any action or inaction by the Holder to enforce the same, any waiver or consent with respect to any provision hereof, the recovery of any judgment against any Person or any action to enforce the same, or any setoff, counterclaim, recoupment, limitation or termination, or any breach or alleged breach by the Holder or any other Person of any obligation to the Company or any violation or alleged violation of law by the Holder or any other Person, and irrespective of any other circumstance which might otherwise limit such obligation of the Company to the Holder in connection with the issuance of Warrant Shares. If the Company breaches its obligations under this Warrant, then, in addition to any other liabilities the Company may have hereunder and under applicable law, the Company shall pay or reimburse the Holder on demand for all costs of collection and enforcement (including reasonable attorneys fees and expenses).

6. *Charges, Taxes and Expenses.* Issuance and delivery of certificates for shares of Common Stock upon exercise of this Warrant shall be made without charge to the Holder for any issue or transfer tax, withholding tax, transfer agent fee or other incidental tax or expense in respect of the issuance of such certificates, all of which taxes and expenses shall be paid by the Company; provided, however, that the Company shall not be required to pay any tax which may be payable in respect of any transfer involved in the registration of any certificates for Warrant Shares or Warrants in a name other than that of the Holder. The Holder shall be responsible for all other tax liability that may arise as a result of holding or transferring this Warrant or receiving Warrant Shares upon exercise hereof.

7. *Replacement of Warrant.* If this Warrant is mutilated, lost, stolen or destroyed, the Company shall issue or cause to be issued in exchange and substitution for and upon cancellation hereof, or in lieu of and substitution for this Warrant, a New Warrant, but only upon receipt of evidence reasonably satisfactory to the Company of such loss, theft or destruction and customary and reasonable indemnity, if requested. Applicants for a New Warrant under such circumstances shall also comply with such other reasonable regulations and procedures and pay such other reasonable third-party costs as the Company may prescribe.

8. *Reservation of Warrant Shares.* The Company covenants that it will at all times reserve and keep available out of the aggregate of its authorized but unissued and otherwise unreserved Common Stock, solely for the purpose of enabling it to issue Warrant Shares upon exercise of this Warrant as herein provided, the number of Warrant Shares which are then issuable and deliverable upon the exercise of this entire Warrant, free from preemptive rights or any other contingent purchase rights of persons other than the Holder (taking into account the adjustments and restrictions of Section 9). The Company covenants that all Warrant Shares so issuable and deliverable shall, upon issuance and the payment of the applicable Exercise Price in accordance with the terms hereof, be duly and validly authorized, issued and fully paid and nonassessable.

9. *Certain Adjustments.* The Exercise Price and number of Warrant Shares issuable upon exercise of this Warrant are subject to adjustment from time to time as set forth in this Section 9.

(a) *Stock Dividends and Splits.* If the Company, at any time while this Warrant is outstanding, (i) pays a stock dividend on its Common Stock or otherwise makes a distribution on any class of capital stock that is payable in shares of Common Stock, (ii) subdivides outstanding shares of Common Stock into a larger number of shares, or (iii) combines outstanding shares of Common Stock into a smaller number of shares, then in each such case the Exercise Price shall be multiplied by a fraction of which the numerator shall be the number of shares of Common Stock outstanding immediately before such event and of which the denominator shall be the number of shares of Common Stock outstanding immediately after such event. Any adjustment made pursuant to clause (i) of this paragraph shall become effective immediately after the record date for the determination of stockholders entitled to receive such dividend or distribution, and any adjustment

3

pursuant to clause (ii) or (iii) of this paragraph shall become effective immediately after the effective date of such subdivision or combination.

(b) *Fundamental Transactions.* If, at any time while this Warrant is outstanding, (i) the Company effects any merger or consolidation of the Company with or into another Person, (ii) the Company effects any sale of all or substantially all of its assets in one or a series of related transactions, (iii) any tender offer or exchange offer by the Company is completed pursuant to which holders of Common Stock are permitted to tender or exchange their shares for other securities, cash or property, or (iv) the Company effects any reclassification of the Common Stock or any compulsory share exchange pursuant to which the Common Stock is effectively converted into or exchanged for other securities, cash or property (in any such case, a "Fundamental Transaction"), then the Holder shall have the right thereafter to receive, upon exercise of this Warrant, the same amount and kind of securities, cash or property as it would have been entitled to receive upon the occurrence of such Fundamental Transaction if it had been, immediately prior to such Fundamental Transaction, the holder of the number of Warrant Shares then issuable upon exercise in full of this Warrant (the "Alternate Consideration"). The aggregate Exercise Price for this Warrant will not be affected by any such Fundamental Transaction, but the Company shall apportion such aggregate Exercise Price among the Alternate Consideration in a reasonable manner reflecting the relative value of any different components of the Alternate Consideration. If holders of Common Stock are given any choice as to the securities, cash or property to be received in a Fundamental Transaction, then the Holder shall be given the same choice as to the Alternate Consideration it receives upon any exercise of this Warrant following such Fundamental Transaction. In addition, at the Holder's request upon surrender of this Warrant, any successor to the Company or surviving entity in such Fundamental Transaction shall issue to the Holder a new warrant consistent with the foregoing provisions and evidencing the Holder's right to purchase the Alternate Consideration for the aggregate Exercise Price upon exercise thereof. The terms of any agreement pursuant to which a Fundamental Transaction is effected shall include terms requiring any such successor or surviving entity to comply with the provisions of this paragraph (c) and insuring that the Warrant (or any such replacement security) will be similarly adjusted upon any subsequent transaction analogous to a Fundamental Transaction.

(c) *Subsequent Equity Sales.*

(i) If, at any time while this Warrant is outstanding, the Company issues additional shares of Common Stock or rights, warrants, options or other securities or debt convertible, exercisable or exchangeable for shares of Common Stock or otherwise entitling any Person to acquire shares of Common Stock (collectively, "Common Stock Equivalents") at an effective price per share of Common Stock (including the dollar value of any underwriting discounts or placement agent commissions payable by the Company with respect to such issuance) (the "Effective Price") less than the average of the daily volume weighted average prices of the Common Stock (as shown on Bloomberg LP) for the five Trading Days immediately preceding date of issuance of such Common Stock or Common Stock Equivalents ("Market Price"), then the Exercise Price shall be reduced to equal the product of (A) the Exercise Price in effect immediately prior to such issuance of Common Stock or Common Stock Equivalents times (B) a fraction, the numerator of which is the sum of (1) the number of shares of Common Stock outstanding immediately prior to such issuance, plus (2) the number of shares of Common Stock which the aggregate Effective Price of the Common Stock issued (or deemed to be issued) would purchase at the Market Price, and the denominator of which is the aggregate number of shares of Common Stock outstanding or deemed to be outstanding immediately after such issuance. For purposes of the foregoing adjustment, in connection with any issuance of any Common Stock Equivalents, (x) the maximum number of shares of Common Stock potentially issuable at any time upon conversion, exercise or exchange of such

Common Stock Equivalents (the "Deemed Number") shall be deemed to be outstanding upon issuance of such Common Stock Equivalents, (y) the Effective Price applicable to such Common Stock shall equal the minimum dollar value of consideration payable to the Company to purchase such Common Stock Equivalents and to convert, exercise or exchange them into Common Stock, divided by the Deemed Number, and (z) no further adjustment shall be made to the Exercise Price upon the actual issuance of Common Stock upon conversion, exercise or exchange of such Common Stock Equivalents. However, upon termination or expiration of any Common Stock Equivalents the issuance of which resulted in an adjustment to the Exercise Price pursuant to this paragraph, the Exercise Price shall be recomputed to equal the price it would have been had the adjustments in this paragraph been made, at the time of issuance of such Common Stock Equivalents, only with respect to that number of shares of the Common Stock actually issued upon conversion, exercise or exchange of such Common Stock Equivalents and at the Effective Prices actually paid in connection therewith.

(ii) No adjustment to the Exercise Price pursuant to Section 9(c) shall be made (A) upon the conversion, exercise or exchange of any Common Stock Equivalents outstanding (as adjusted for any stock dividends, combinations, splits, recapitalizations and the like) as of the date of original issuance of this Warrant; (B) upon the grant or exercise of any Common Stock or Common Stock Equivalents which may hereafter be issued, granted, exercised, converted or exchanged under any employee benefit plan, stock option plan or stock purchase plan of the Company, or any similar compensatory arrangement, now existing or to be implemented in the future, so long as the grant of such stock or options is approved in accordance with the terms of any such plan and the Company's usual and customary approval procedures with respect thereto; (C) upon the exercise of this Warrant and issuance of the Common Stock contemplated in that certain Stock Purchase Agreement, dated October , 2001 between the Company and Holder; (D) upon issuance of Common Stock or Common Stock Equivalents for consideration other than cash pursuant to a merger, consolidation, acquisition, or similar business combination; (E) upon issuance of Common Stock or Common Stock Equivalents in connection with any equipment loan or leasing arrangement, real property leasing arrangement, or debt financing from a bank or other financial institution; or (F) upon issuance of Common Stock pursuant to stock splits, stock dividends or like transactions

(d) *Number of Warrant Shares.* Simultaneously with any adjustment to the Exercise Price pursuant to paragraphs (a) or (b) of this Section, the number of Warrant Shares that may be purchased upon exercise of this Warrant shall be increased proportionately, so that after such adjustment the aggregate Exercise Price payable hereunder for the increased number of Warrant Shares shall be the same as the aggregate Exercise Price in effect immediately prior to such adjustment.

(e) *Calculations.* All calculations under this Section 9 shall be made to the nearest cent or the nearest 1/100th of a share, as applicable. The number of shares of Common Stock outstanding at any given time shall not include shares owned or held by or for the account of the Company, and the disposition of any such shares shall be considered an issue or sale of Common Stock.

(f) *Notice of Adjustments.* Upon the occurrence of each adjustment pursuant to this Section 9, the Company at its expense will promptly compute such adjustment in accordance with the terms of this Warrant and prepare a certificate setting forth such adjustment, including a statement of the adjusted Exercise Price and adjusted number or type of Warrant Shares or other securities issuable upon exercise of this Warrant (as applicable), describing the transactions giving rise to such adjustments and showing in detail the facts upon which such adjustment is based.

Upon written request, the Company will promptly deliver a copy of each such certificate to the Holder.

(g) *Notice of Corporate Events.* If the Company (i) declares a dividend or any other distribution of cash, securities or other property in respect of its Common Stock, including without limitation any granting of rights or warrants to subscribe for or purchase any capital stock of the Company or any Subsidiary, (ii) authorizes or approves, enters into any agreement contemplating or solicits stockholder approval for any Fundamental Transaction or (iii) authorizes the voluntary dissolution, liquidation or winding up of the affairs of the Company, then the Company shall deliver to the Holder a notice describing the material terms and conditions of such transaction, at least 15 calendar days prior to the applicable record or effective date on which a Person would need to hold Common Stock in order to participate in or vote with respect to such transaction, and the Company will take all steps reasonably necessary in order to insure that the Holder is given the practical opportunity to exercise this Warrant prior to such time so as to participate in or vote with respect to such transaction; provided, however, that the failure to deliver such notice or any defect therein shall not affect the validity of the corporate action required to be described in such notice. Until the exercise of this Warrant or any portion of this Warrant, the Holder shall not have nor exercise any rights by virtue hereof as a stockholder of the Company (including without limitation the right to notification of stockholder meetings or the right to receive any notice or other communication concerning the business and affairs of the Company other than as provided in this Section 9(h)).

10. *Payment of Exercise Price.* The Holder shall pay the Exercise Price by wire transfer of immediately available funds sent pursuant to the Company's wire transfer instructions. The Company shall provide wire transfer instructions to the Holder within one Trading Day of receipt of a written request therefor made in accordance with Section 14 hereof.

11. *Limitation on Exercise.* (a) Notwithstanding anything to the contrary contained herein, the number of shares of Common Stock that may be acquired by the Holder upon any exercise of this Warrant (or otherwise in respect hereof) shall be limited to the extent necessary to insure that, following such exercise (or other issuance), the total number of shares of Common Stock then beneficially owned by such Holder and its Affiliates under Section 13(d) of the Exchange Act, does not exceed 4.999% of the total number of issued and outstanding shares of Common Stock (including for such purpose the shares of Common Stock issuable upon such exercise). For such purposes, beneficial ownership shall be determined in accordance with Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder. Each delivery of an Exercise Notice hereunder will constitute a representation by the Holder that it has evaluated the limitation set forth in this paragraph and determined that issuance of the full number of Warrant Shares requested in such Exercise Notice is permitted under this paragraph. By written notice to the Company, the Holder may waive the provisions of this Section but (i) any such waiver or increase will not be effective until the 61st day after such notice is delivered to the Company, and (ii) any such waiver will apply only to the Holder and not to any other holder of Warrants.

(b) Notwithstanding anything to the contrary contained herein, the number of shares of Common Stock that may be acquired by the Holder upon any exercise of this Warrant (or otherwise in respect hereof) shall be limited to the extent necessary to insure that, following such exercise (or other issuance), the total number of shares of Common Stock then beneficially owned by such Holder and its Affiliates under Section 13(d) of the Exchange Act, does not exceed 9.999% of the total number of issued and outstanding shares of Common Stock (including for such purpose the shares of Common Stock issuable upon such exercise). For such purposes, beneficial ownership shall be determined in accordance with Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder. Each delivery of an Exercise Notice hereunder will constitute a representation by the Holder that it has evaluated the limitation set forth in this

paragraph and determined that issuance of the full number of Warrant Shares requested in such Exercise Notice is permitted under this paragraph. By written notice to the Company, the Holder may waive the provisions of this Section but (i) any such waiver or increase will not be effective until the 61st day after such notice is

delivered to the Company, and (ii) any such waiver will apply only to the Holder and not to any other holder of Warrants.

12. *No Fractional Shares.* No fractional shares of Warrant Shares will be issued in connection with any exercise of this Warrant. In lieu of any fractional shares which would otherwise be issuable, the Company shall pay cash equal to the product of such fraction multiplied by the closing price of one Warrant Share as reported on the Nasdaq National Market on the date of exercise.

13. *Exchange Act Filings.* The Holder agrees and acknowledges that it shall have sole responsibility for making any applicable filings with the U.S. Securities and Exchange Commission pursuant to Sections 13 and 16 of the Exchange Act as a result of its acquisition of this Warrant and the Warrant Shares and any future retention or transfer thereof.

14. *Notices.* Any and all notices or other communications or deliveries hereunder (including without limitation any Exercise Notice) shall be in writing and shall be deemed given and effective on the earliest of (i) the date of transmission, if such notice or communication is delivered via facsimile at the facsimile number specified in this Section prior to 6:30 p.m. (New York City time) on a Trading Day, (ii) the next Trading Day after the date of transmission, if such notice or communication is delivered via facsimile at the facsimile number specified in this Section on a day that is not a Trading Day or later than 6:30 p.m. (New York City time) on any Trading Day, (iii) the Trading Day following the date of mailing, if sent by nationally recognized overnight courier service, or (iv) upon actual receipt by the party to whom such notice is required to be given. The addresses for such communications shall be: (i) if to the Company, to Microvision, Inc., 19910 North Creek Parkway, Facsimile No.: (425) 481-1625, Attn: Chief Financial Officer, or (ii) if to the Holder, to the address or facsimile number appearing on the Warrant Register or such other address or facsimile number as the Holder may provide to the Company in accordance with this Section.

15. *Warrant Agent.* The Company shall serve as warrant agent under this Warrant. Upon 30 days' notice to the Holder, the Company may appoint a new warrant agent. Any corporation into which the Company or any new warrant agent may be merged or any corporation resulting from any consolidation to which the Company or any new warrant agent shall be a party or any corporation to which the Company or any new warrant agent transfers substantially all of its corporate trust or shareholders services business shall be a successor warrant agent under this Warrant without any further act. Any such successor warrant agent shall promptly cause notice of its succession as warrant agent to be mailed (by first class mail, postage prepaid) to the Holder at the Holder's last address as shown on the Warrant Register.

16. *Miscellaneous.*

(a) This Warrant shall be binding on and inure to the benefit of the parties hereto and their respective successors and assigns. Subject to the preceding sentence, nothing in this Warrant shall be construed to give to any Person other than the Company and the Holder any legal or equitable right, remedy or cause of action under this Warrant. This Warrant may be amended only in writing signed by the Company and the Holder and their successors and assigns.

(b) All questions concerning the construction, validity, enforcement and interpretation of this Warrant shall be governed by and construed and enforced in accordance with the internal laws of the State of Washington, without regard to the principles of conflicts of law thereof. Each party hereto hereby irrevocably waives, to the fullest extent permitted by applicable law, any and all right to trial by jury in any legal proceeding arising out of or relating to this Warrant or the transactions contemplated hereby. If either party shall commence an action or proceeding to enforce any

provisions of this Warrant, then the prevailing party in such action or proceeding shall be reimbursed by the other party for its attorneys' fees and other costs and expenses incurred with the investigation, preparation and prosecution of such action or proceeding.

(c) The headings herein are for convenience only, do not constitute a part of this Warrant and shall not be deemed to limit or affect any of the provisions hereof.

(d) In case any one or more of the provisions of this Warrant shall be invalid or unenforceable in any respect, the validity and enforceability of the remaining terms and provisions of this Warrant shall not in any way be affected or impaired thereby and the parties will attempt in good faith to agree upon a valid and enforceable provision which shall be a commercially reasonable substitute therefor, and upon so agreeing, shall incorporate such substitute provision in this Warrant.

(e) Except as otherwise provided herein, the Holder will not, by virtue of ownership of this Warrant, be entitled to any rights as a shareholder of the Company.

**[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK,
SIGNATURE PAGE FOLLOWS]**

IN WITNESS WHEREOF, the Company has caused this Warrant to be duly executed by its authorized officer as of the date first indicated above.

MICROVISION, INC.

By: _____

Name: _____

Title: _____

FORM OF ELECTION TO PURCHASE

To Microvision, Inc.:

In accordance with the Warrant enclosed with this Form of Election to Purchase, the undersigned hereby irrevocably elects to purchase _____ shares of common stock ("Common Stock"), no par value per share, of Microvision, Inc. (the "Company") and has sent via wire transfer to the account the Company the amount of \$ _____ in immediately available funds, which sum represents the aggregate Exercise Price (as defined in the Warrant) for the number of shares of Common Stock to which this Form of Election to Purchase relates, together with any applicable taxes payable by the undersigned pursuant to the Warrant.

By its delivery of this Form of Election To Purchase, the Holder represents and warrants to the Company that in giving effect to the exercise evidenced hereby the Holder will not beneficially own in excess of the number of shares of Common Stock (determined in accordance with Section 13(d) of the Securities Exchange Act of 1934) permitted to be owned under Section 11 of this Warrant to which this notice relates.

The undersigned requests that certificates for the shares of Common Stock issuable upon this exercise be issued in the name of

OR

PLEASE INSERT SOCIAL SECURITY

TAX IDENTIFICATION NUMBER

(Please print name and address)

Warrant Shares Exercise Log

Date	Number of Warrant Shares Available to be Exercised	Number of Warrant Shares Exercised	Number of Warrant Shares Remaining to be Exercised
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FORM OF ASSIGNMENT

[To be completed and signed only upon transfer of Warrant]

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto _____ the right represented by the within Warrant to purchase _____ shares of Common Stock of Microvision, Inc. to which the within Warrant relates and appoints _____ attorney to transfer said right on the books of Microvision, Inc. with full power of substitution in the premises.

Dated: _____, _____

(Signature must conform in all respects to name of holder as specified on the face of the Warrant)

Address of Transferee

In the presence of:

QuickLinks

[Exhibit 4.1](#)

- [MICROVISION, INC. WARRANT FORM OF ELECTION TO PURCHASE](#)
- [Warrant Shares Exercise Log](#)
- [FORM OF ASSIGNMENT](#)

October 9, 2001

Microvision, Inc.
19910 North Creek Parkway
Bothell, WA 98011

Re: Registration Statement on Form S-3, Registration No. 333-69652

Ladies and Gentlemen:

We have acted as counsel for Microvision, Inc., a Washington corporation (the "Company"), in connection with the preparation of a Registration Statement on Form S-3, Registration No. 333-69652, filed on September 10, 2001 and amended on September 26, 2001 (together, the "Registration Statement"), in accordance with the rules and regulations promulgated under the Securities Act of 1933, as amended (the "Securities Act"), and the prospectus supplement, dated October 4, 2001 relating to the offer and sale of:

1. 330,981 shares (the "Shares") of the Company's common stock, no par value ("Common Stock");
2. Warrants to purchase 49,646 shares of Common Stock ("Warrants"); and
3. 49,646 shares of Common Stock issuable upon exercise of the Warrants (the "Warrant Shares").

We have reviewed the corporate action of the Company in connection with the foregoing and have examined such documents, corporate records, and other instruments as we have deemed necessary for the purposes of this opinion. In such examination, we have assumed (i) the authenticity of original documents and the genuineness of all signatures, (ii) the conformity to the originals of all documents submitted to us as copies and (iii) the truth, accuracy, and completeness of the information, representations and warranties contained in the records, documents, instruments and certificates we have reviewed.

Based on such examination, we are of the opinion that:

1. The Shares have been duly authorized and when issued, delivered and paid for, will be validly issued, fully paid and nonassessable by the Company.
2. The Warrants have been duly authorized and, when issued and delivered, will be legal, valid and binding obligations of the Company (subject to applicable bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium or other similar laws affecting creditors' rights generally from to time in effect and subject to general principles of equity, regardless of whether such is considered in a proceeding in equity or at law). The Warrant Shares have been duly authorized and, when issued and delivered upon exercise of the Warrants in exchange for payment therefor in accordance with the terms thereof, will be validly issued, fully paid and nonassessable by the Company.

The opinions expressed herein are limited solely to the laws of the State of Washington and United States federal laws. We express no opinion as to any matter other than expressly set forth above, and no other opinion is intended to be implied or inferred herefrom. The opinions expressed herein are opinions of legal matters and not factual matters. Our opinions are given as of the date hereof, and we undertake no obligation and hereby disclaim any obligation to advise upon of any change in law, facts or circumstances, occurring after the date hereof.

Microvision, Inc.
October 9, 2001
Page -2-

We hereby consent to the filing of this opinion as an exhibit to the Current Report on Form 8-K and to the use of our name in the prospectus forming part of the Registration Statement. In giving this consent, we do not hereby admit that we are within the category of persons whose consent is required under Section 7 of the Securities Act or the rules and regulations of the Securities and Exchange Commission promulgated thereunder.

Very truly yours,

/s/
STOEL RIVES LLP

STOCK PURCHASE AGREEMENT

This agreement is dated October , 2001 between [] ("Purchaser"), and Microvision, Inc., a Washington corporation ("Company"), whereby the parties agree as follows:

The Purchaser shall buy and the Company agrees to sell and issue to Purchaser (i) [] shares ("Shares") of the Company's Common Stock at a price of \$ [] per share and (ii) warrants ("Warrants") to purchase [] shares of the Company's Common Stock ("Warrant Shares"), in substantially the form attached as *Exhibit A* hereto, for an aggregate purchase price of [\$] ("Purchase Price").

The Shares, Warrants, and Warrant Shares have been registered on a Form S-3, Registration No. 333-69652 ("Registration Statement"), which registration statement has been declared effective by the Securities and Exchange Commission. The Shares and Warrants are free of restrictive legends and are free of any resale restrictions and, when issued upon due exercise of the Warrants, the Warrant Shares will be free of restrictive legends and resale restrictions. The Company shall deliver to Purchaser with the confirmation of sale the prospectus that constitutes a part of the Registration Statement and a prospectus supplement regarding the sale of the Shares and Warrants hereunder.

The Purchaser shall wire the Purchase Price to the Company to the account set forth below.

Wire Transfer Instructions:

[]
[]
[]

Concurrent with confirmation of receipt of the Purchase Price, the Company shall (i) cause its transfer agent to transmit the Shares electronically to Purchaser by crediting the account set forth below through the Deposit Withdrawal Agent Commission system and (ii) deliver Warrants to Purchaser or its designee at the address set forth on the signature page hereof.

DWAC Instructions:

[]
[]
[]

AGREED AND ACCEPTED:

COMPANY: MICROVISION, INC.

By: _____

Name: _____

Title: _____

PURCHASER:

By: _____

Name: _____

Title: _____

Address: []
[]
[]