

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

FORM S-8

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

GRAHAM CORPORATION

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

16-1194720
(I.R.S Employer Identification No.)

**20 Florence Avenue
Batavia, New York**
(Address of Principal Executive Offices)

14020
(Zip Code)

Graham Corporation Employee Stock Purchase Plan
(Full title of the plan)

**Jeffrey Glajch
Chief Financial Officer
Graham Corporation
20 Florence Avenue
Batavia, New York 14020**
(Name and address of agent for service)

(585) 343-2216
(Telephone number, including area code, of agent for service)

With a copy to:
**Daniel R. Kinel, Esq.
Harter Secrest & Emery LLP
1600 Bausch & Lomb Place
Rochester, New York 14604-2711
(585) 232-6500
Fax: (585) 232-2152**

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company
(Do not check if a smaller reporting company)

CALCULATION OF REGISTRATION FEE

Title Of Securities to be Registered	Amount to be Registered (1)	Proposed Maximum Offering Price Per Share (2)	Proposed Maximum Aggregate Offering Price (2)	Amount of Registration Fee
Common Stock, \$0.10 par value	200,000 Shares (3)	\$14.00	\$2,800,000	\$199.64

- (1) This registration statement covers, in addition to the number of shares of common stock, par value \$0.10 per share, of Graham Corporation stated above ("Common Stock") and pursuant to Rule 416(a) under the Securities Act of 1933, as amended (the "Securities Act"), any additional shares of Common Stock which become issuable by reason of any stock dividend, stock split, recapitalization or other similar transaction effected without the receipt of consideration which results in an increase in the number of outstanding shares of Common Stock issuable under the Graham Corporation Employee Stock Purchase Plan (the "Plan").
- (2) Calculated pursuant to Rule 457(c) and (h) under the Securities Act on the basis of \$14.00 per share, which was the average of the high and low prices of the Company's Common Stock as reported on the NYSE Amex on August 20, 2010.
- (3) Represents the number of shares of Common Stock issuable under the Plan.

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EXPLANATORY NOTE

This registration statement on Form S-8 is filed by Graham Corporation (the "Company") relating to 200,000 shares of common stock, par value \$0.10 per share ("Common Stock"), to be offered and sold under the Graham Corporation Employee Stock Purchase Plan (the "Plan").

PART I

INFORMATION REQUIRED IN THE SECTION 10(a) PROSPECTUS

The documents containing the information specified in Part I of this registration statement have been or will be delivered to participants in the Plan as specified by Rule 428(b)(1) of the Securities Act of 1933, as amended (the "Securities Act").

Such documents are not being filed with the Securities and Exchange Commission (the "Commission") but constitute (along with the documents incorporated by reference into this registration statement pursuant to Item 3 of Part II hereof) a prospectus that meets the requirements of Section 10(a) of the Securities Act.

PART II

INFORMATION REQUIRED IN THE REGISTRATION STATEMENT

Item 3. Incorporation of Documents by Reference.

The following documents previously filed with the Commission by the Company are incorporated herein by reference:

- (1) the Company's Annual Report on Form 10-K for the fiscal year ended March 31, 2010;
- (2) the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2010;
- (3) the Company's Current Reports on Form 8-K filed on May 21, 2010, July 29, 2010 and July 30, 2010 (except for information contained in such reports which is furnished to the Commission, which information is not incorporated herein by reference); and
- (4) the description of the Company's Common Stock, contained in the Company's registration statement on Form 8-A filed with the Commission on March 2, 1990 (SEC File No. 900-70376) and including any other amendments or reports filed for the purpose of updating such description.

All documents filed by the Company and the Plan pursuant to Sections 13(a), 13(c), 14 and 15(d) of the Securities Exchange Act of 1934, as amended, after the date of this registration statement and prior to the filing of a post-effective amendment which indicates that all securities offered have been sold or which deregisters all securities then remaining unsold, shall be deemed to be incorporated by reference in this registration statement and to be a part hereof from the date of filing such documents.

Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this registration statement to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this registration statement.

Item 4. Description of Securities.

Not applicable.

Item 5. Interests of Named Experts and Counsel.

Not applicable.

Item 6. Indemnification of Directors and Officers.

Section 145 of the Delaware General Corporation Law (the “DGCL”) empowers a corporation to indemnify, subject to the standards set forth therein, any person who is a party to any action in connection with any action, suit, or proceeding brought or threatened by reason of the fact that the person was a director, officer, employee or agent of the corporation, or is or was serving as such with respect to another entity at the request of the corporation. The DGCL also provides that a corporation may purchase insurance on behalf of any such director, officer, employee or agent.

Section 102(b)(7) of the DGCL enables a corporation to provide in its certificate of incorporation for the elimination or limitation of the personal liability of a director to the corporation or its stockholders for monetary damages for breach of fiduciary duty as a director. Any such provision cannot eliminate or limit a director’s liability: (1) for any breach of director’s duty of loyalty to the corporation or its stockholders; (2) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of the law; (3) under Section 174 of the DGCL (which imposes liability on directors for unlawful payment of dividends or unlawful stock purchase or redemption); or (4) for any transaction from which the director derived an improper personal benefit. No such provision in the certificate of incorporation may limit or eliminate the liability of a director for any act or omission occurring before the date when such provision becomes effective.

Article Fourteenth of the Company’s Certificate of Incorporation, as amended (the “Certificate of Incorporation”), provides that, to the fullest extent permitted by the DGCL, a director of the Company shall not be liable to the Company or to any of its stockholders for monetary damages for breach of fiduciary duty as a director. Article Fourteenth of the Certificate of Incorporation also provides that a director or officer of the Company shall be indemnified by the Company against any liabilities incurred in his capacity as a director or officer, such indemnification to include payment by the Company of expenses incurred in defending a proceeding in advance of its final disposition, to the fullest extent permitted by the DGCL or as may be provided by written agreement with the Company. The Certificate of Incorporation also provides that such rights to indemnification shall not be exclusive of any other right which a director or officer may have under any statute, provision of the Certificate of Incorporation, bylaw, agreement, vote of stockholders or disinterested directors or otherwise.

The Company also maintains indemnification agreements with its directors. These agreements provide that the Company shall pay on behalf of such directors any amount which any such director becomes legally obligated to pay because of any claim or claims made against him or her or because of any act or omission or neglect or breach of duty, including any actual or alleged error or misstatement or misleading statement, which such person commits or suffers while acting in his or her capacity as a director of the Company, and solely because of his or her status as a director of the Company. The payments which the Company is obligated to make under such indemnification agreements include damages, judgments, settlements, and certain costs and expenses (including attorneys’ fees and costs of attachment or similar bonds). Notwithstanding the preceding, among other limitations, the Company shall not be obligated to make any indemnification payments in contravention of applicable laws.

The Company also maintains indemnification agreements with its officers. These agreements provide that in the event that the employment of either such officer is terminated for any reason, the Company will indemnify such officer for all acts or omissions and for any suits it has at law or in equity, claims, actions or other proceedings against such officer initiated either prior to the termination of employment or after such termination which relate to duties performed in good faith by such officer while employed by the Company. Such agreements also provides that in the event that either such officer’s employment is terminated, the Company will retain him as a named insured under any directors’ and officers’ insurance policies it may have, for acts during the time such officer served as an officer of the Company.

The Company provides directors’ and officers’ liability insurance coverage for its directors and officers.

The effect of the above-described provisions and agreements is to indemnify the directors and officers of the Company against all costs and expenses of liability incurred by them in connection with any action, suit or proceeding in which they are involved by reason of their affiliation with the Company, to the fullest extent permitted by law.

Item 7. Exemption from Registration Claimed.

Not applicable.

Item 8. Exhibits.

See the Exhibit Index, which is incorporated herein by reference.

Item 9. Undertakings.

A. The undersigned registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act;

(ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20 percent change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement;

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement.

Provided, however, that paragraphs (A)(1)(i) and (A)(1)(ii) do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed with or furnished to the Commission by the Company pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in this registration statement.

(2) That, for the purpose of determining any liability under the Securities Act, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

B. The undersigned registrant hereby undertakes that, for purposes of determining any liability under the Securities Act, each filing of the Company's annual report pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial *bona fide* offering thereof.

C. Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the Company pursuant to the foregoing provisions, or otherwise, the Company has been advised that in the opinion of the Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Company of expenses incurred or paid by a director, officer or controlling person of the Company in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Company will, unless in the opinion of its counsel the

matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of the Securities Act, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-8 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Batavia, State of New York, on August 23, 2010.

GRAHAM CORPORATION

By: /s/ James R. Lines
James R. Lines
President and Chief Executive Officer
(Principal Executive Officer)

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints James R. Lines and Jeffrey Glajch, jointly and severally, his or her true and lawful attorneys-in-fact and agents, each with full power of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities, to sign any and all amendments to this registration statement, and to file the same, with exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite or necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that each of said attorneys-in-fact and agents, or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ James R. Lines</u> James R. Lines	President, Chief Executive Officer and Director (Principal Executive Officer)	August 23, 2010
<u>/s/ Jeffrey Glajch</u> Jeffrey Glajch	Chief Financial Officer (Principal Financial Officer)	August 23, 2010
<u>/s/ Jennifer R. Condame</u> Jennifer R. Condame	Chief Accounting Officer and Controller (Principal Accounting Officer)	August 23, 2010
<u>Helen H. Berkeley</u>	Director	
<u>/s/ Jerald D. Bidlack</u> Jerald D. Bidlack	Director	August 23, 2010
<u>/s/ Alan Fortier</u> Alan Fortier	Director	August 23, 2010
<u>/s/ James J. Malvaso</u> James J. Malvaso	Director	August 23, 2010
<u>/s/ Gerard T. Mazurkiewicz</u> Gerard T. Mazurkiewicz	Director	August 23, 2010
<u>/s/ Cornelius S. Van Rees</u> Cornelius S. Van Rees	Director	August 23, 2010

**EXHIBIT INDEX
TO
REGISTRATION STATEMENT ON FORM S-8**

- 4.1 Certificate of Incorporation of Graham Corporation, as amended, is incorporated herein by reference from Exhibit 3.1 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2008.
- 4.2 Amended and Restated By-laws of Graham Corporation are incorporated herein by reference from Exhibit 3.2 to the Company's Current Report on Form 8-K dated October 25, 2007.
- 4.3 Stockholder Rights Plan is incorporated herein by reference from Exhibit 99.3 to the Company's Form 8-A filed with the Securities and Exchange Commission on September 15, 2000 (SEC File No. 000-18703).
- *4.4 Graham Corporation Employee Stock Purchase Plan.
- *5.1 Opinion of Harter Secrest & Emery LLP.
- *23.1 Consent of Harter Secrest & Emery LLP (included in Exhibit 5.1).
- *23.2 Consent of Deloitte & Touche LLP.
- *24 Power of Attorney (included in the signature pages to the registration statement).

* Exhibits filed with this registration statement.

GRAHAM CORPORATION
EMPLOYEE STOCK PURCHASE PLAN

1. Purpose of Plan

The purpose of the Plan is to provide employees of the Company with an opportunity to purchase Common Stock at a discount through payroll deductions. The Plan is intended to qualify as an employee stock purchase plan under Section 423 of the Code, and the provisions of the Plan shall be construed consistent with such intention.

2. Definitions

As used in the Plan, the following terms shall have the meanings set forth below:

- (a) “Applicable Percentage” means, with respect to an Offering Period, 85%, or such other percentage from 85% to 100%, as determined by the Committee in its sole discretion for that Offering Period and applicable to all Participants.
 - (b) “Board” means the Board of Directors of Graham.
 - (c) “Code” means the Internal Revenue Code of 1986, as amended from time to time, and any regulations promulgated and other official guidance issued thereunder.
 - (d) “Committee” means the committee established pursuant to Section 4 to be responsible for the general administration of the Plan.
 - (e) “Common Stock” means Graham’s common stock, par value \$0.10 per share.
 - (f) “Company” means Graham and each of its U.S. “subsidiary corporations,” as defined by Section 424(f) of the Code.
 - (g) “Eligible Compensation” means the regular earnings of an Eligible Employee, including salary, overtime, bonuses, and salary reduction contributions pursuant to elections under a plan subject to Sections 125 or 401(k) of the Code.
 - (h) “Eligible Employee” means any employee of the Company that meets the eligibility requirements of Section 5.
 - (i) “Enrollment Form” means the electronic or hardcopy form filed with the Committee or its designated agent pursuant to Section 6.
 - (j) “Fair Market Value” of Common Stock on a given date means the closing sale price of the Common Stock on the NYSE Amex, or if the NYSE Amex is not open for trading on such date, then on the most recent preceding date when the NYSE Amex is open for trading.
 - (k) “Graham” means Graham Corporation, a Delaware corporation.
 - (l) “Offering Commencement Date” means, with respect to an Offering Period, the first day of that Offering Period.
 - (m) “Offering Period” means a six-month period; provided, however, that the first Offering Period shall commence on September 1, 2010 and shall end on December 31, 2010. Successive Offering Periods shall commence on the day following the end of the preceding Offering Period (i.e., January 1 or July 1) and shall end on the six-month anniversary of the commencement date (i.e., June 30 or December 31).
 - (n) “Participant” means an Eligible Employee who elects to participate in the Plan by filing an Enrollment Form pursuant to Section 6.
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- (o) “Payroll Deduction Account” means the account established for a Participant to hold payroll deductions pursuant to Section 6.
- (p) “Plan” means this Graham Corporation Employee Stock Purchase Plan, as set forth herein and as amended from time to time.
- (q) “Purchase Date” means, with respect to an Offering Period, the last day of that Offering Period.
- (r) “Rule 16b-3” means Rule 16b-3 promulgated under the Securities Exchange Act of 1934, as amended, or any successor rule thereto.

3. Shares Subject to the Plan

Subject to the provisions of Section 12, the total number of shares of Common Stock which may be purchased by employees under the Plan shall not exceed 200,000. Shares subject to the Plan may be either authorized but unissued shares or shares that were once issued and subsequently reacquired by the Company.

4. Administration of the Plan

The Plan shall be administered by the Committee appointed by the Board, which shall be comprised of two or more members of the Board, and each member of the Committee shall be a “non-employee director” within the meaning of Rule 16b-3. The Committee shall be the Compensation Committee of the Board unless the Board shall appoint another committee to administer the Plan.

Subject to the express provisions of the Plan, the Committee shall have the authority to take any and all actions necessary to implement the Plan and to interpret the Plan, to prescribe, amend and rescind rules and regulations relating to it, and to make all other determinations necessary or advisable in administering the Plan. All of such determinations shall be final and binding upon all persons. The Committee may request advice or assistance or employ such other persons as are necessary for proper administration of the Plan.

5. Eligible Employees

Any employee of the Company shall be eligible to participate in the Plan, except an employee who owns (or is considered as owning within the meaning of Section 424(d) of the Code) stock possessing 5% or more of the total combined voting power or value of all classes of stock of the Company. No director of the Company who is not an employee shall be eligible to participate in the Plan.

6. Election to Participate

An Eligible Employee may become a Participant effective on the first day of any Offering Period coincident with or following the date he or she becomes an Eligible Employee by filing with the Committee or its designated agent an Enrollment Form authorizing specified regular payroll deductions from his or her Eligible Compensation. Such regular payroll deductions shall be subject to a maximum deduction of a maximum dollar amount specified by the Committee for such Offering Period.

Payroll deductions for an Offering Period shall commence on the first payroll date occurring on or after the applicable Offering Commencement Date and shall end on the last payroll date occurring on or before the Purchase Date for that Offering Period. A Participant’s payroll deductions shall be credited to the Payroll Deduction Account that the Company has established in the name of the Participant.

A Participant may at any time withdraw from the Plan and cease to be a Participant following the end of the Offering Period in which the election is made to discontinue participation. A Participant may, to be effective as of the first day of the next following Offering Period, increase or decrease his or her payroll deduction by filing a new Enrollment Form. Elections shall last the entire Offering Period, or until the employee ceases to be a Participant, whichever is longer.

Enrollment Forms must be filed with the Committee or its designated agent not less than ten days before the beginning of an Offering Period to be effective for that Offering Period, unless a shorter period

of time is prescribed by the Committee. An Enrollment Form not filed within the prescribed filing period shall be effective the first day of the Offering Period following the Offering Period in which it would otherwise become effective.

As a condition of participation in the Plan, each Participant agrees to notify the Company if he or she sells or otherwise disposes of any Common Stock purchased by him or her under the Plan within two years of the Purchase Date on which such shares were purchased.

7. Purchase of Shares

Each Participant having eligible funds in his or her Payroll Deduction Account on a Purchase Date shall be deemed, without any further action, to have purchased the number of full shares of Common Stock which the eligible funds in his or her Payroll Deduction Account could purchase on that Purchase Date at a price per share that shall be the lesser of (a) the Applicable Percentage of the Fair Market Value of such share on the Purchase Date, or (b) the Applicable Percentage of the Fair Market Value of such share on the Offering Commencement Date. The Payroll Deduction Account of each such Participant shall be charged for the amount of such purchase and shares shall be issued to the Participant as of the Purchase Date. No fractional shares shall be purchased; any funds in a Participant's Payroll Deduction Account that are insufficient to purchase a full share shall be retained in the Participant's Payroll Deduction Account for the following Offering Period, subject to earlier payment to the Participant pursuant to Section 13 or 15. Except for amounts not expended because of the preceding sentence, any funds left over in a Participant's Payroll Deduction Account after a Purchase Date shall be returned to the Participant.

As soon as administratively practicable following each Purchase Date on which a purchase of shares occurs, the Company shall arrange for the delivery to each Participant or his or her broker, or a broker designated by the Committee, of the shares purchased by that Participant on that Purchase Date.

8. Registration of Shares

Shares of Common Stock will be registered only in the name of the Participant or, if he or she so indicates on his or her Enrollment Form, in the Participant's name jointly with one other person, with right of survivorship.

9. Limitation on Purchases

(a) During any one calendar year, no Participant shall have the right to purchase under the Plan (and all other plans qualified under Section 423 of the Code) shares of Common Stock having a Fair Market Value (determined as of an Offering Commencement Date) in excess of \$25,000. The purpose of this limitation is to comply with Section 423(b)(8) of the Code and shall be interpreted accordingly.

(b) A Participant's Payroll Deduction Account may not be used to purchase Common Stock on any Purchase Date to the extent that after such purchase the Participant would own (or be considered as owning within the meaning of Section 424(d) of the Code) stock possessing 5% or more of the total combined voting power or value of all classes of stock of the Company. For this purpose, stock which the Participant may purchase under any outstanding option shall be treated as owned by such Participant. As of the first Purchase Date on which this Section 9(b) limits a Participant's ability to purchase Common Stock, the employee shall cease to be an Eligible Employee and a Participant.

10. Rights as a Stockholder

None of the rights or privileges of a stockholder of Graham shall exist with respect to shares of Common Stock purchased under the Plan until the date as of which such shares are delivered pursuant to Section 7.

11. Rights Not Transferable

Except as expressly provided in Section 13, neither payroll deductions credited to a Participant's Payroll Deduction Account nor any rights with regard to participation in the Plan nor the right to receive shares of Common Stock shall be transferable in any way by a Participant.

12. Change in Capital Structure

In the event of a stock dividend, stock split or combination of shares, recapitalization or merger in which Graham is the surviving corporation or other change in Graham's capital stock applicable to all stockholders generally, the number and kind of shares of stock or other securities of Graham to be subject to the Plan, the maximum number of shares or other securities which may be delivered under the Plan, and other relevant provisions shall be appropriately adjusted by the Committee, whose determination shall be binding on all persons.

If Graham is a party to a consolidation or a merger in which Graham is not the surviving corporation, a transaction that results in the acquisition of substantially all of Graham's outstanding stock by a single person or entity, or a sale or transfer of substantially all of Graham's assets, the Committee may take such actions with respect to the Plan as the Committee deems appropriate.

Notwithstanding anything in the Plan to the contrary, the Committee may take the foregoing actions without the consent of any Participant, and the Committee's determination shall be conclusive and binding on all persons for all purposes.

13. Retirement, Termination and Death

In the event of a Participant's death or retirement or termination of employment for any reason, or in the event that a Participant ceases to be such, then no further purchase of shares shall be made by him or her under the Plan. In such event, the amount remaining in the employee's Payroll Deduction Account shall be refunded to him or her without interest. In the event of a Participant's death, the amount in his or her Payroll Deduction Account shall be delivered without interest to the beneficiary designated by the Participant in a writing filed with the Company. If no beneficiary has been designated, or if the designated beneficiary does not survive the Participant, such amount shall be delivered to the employee's estate without interest.

14. Amendment of the Plan

The Board may at any time, or from time to time, amend the Plan in any respect; provided, however, that the stockholders of Graham must approve any amendment that would materially (a) increase the benefits accruing to Participants under the Plan, (b) increase (other than pursuant to Section 12) the number of securities that may be issued under the Plan, or (c) modify the requirements as to eligibility for participation in the Plan.

15. Termination of the Plan

The Plan and all rights of employees hereunder shall terminate on the earlier of: (a) the Purchase Date that Participants become entitled to purchase a number of shares greater than the number of shares remaining available for purchase under the Plan; or (b) a date specified by the Board in its sole discretion. In the event that the Plan terminates under circumstances described in clause (a) of this Section, the shares remaining as of the termination date shall be purchased by Participants on a pro-rata basis. Upon termination of the Plan, all amounts in an employee's Payroll Deduction Account that are not used to purchase Common Stock will be refunded to such employee.

16. General Provisions

(a) Term of Plan. The Plan shall become effective upon (a) due approval of the Plan by the stockholders of the Company within 12 months after its adoption by the Board, and (b) the effectiveness of a Registration Statement on Form S-8 under the Securities Act, as amended, covering the shares of Common Stock subject to the Plan. Once effective, the Plan shall continue in effect until all of the shares of Common Stock available under the Plan, as increased or adjusted from time to time, have been issued under the Plan, unless sooner terminated by the Board.

(b) Use of Funds. All payroll deductions received or held by the Company under the Plan shall be general corporate funds, and as such, may be used by the Company for any corporate purpose, and the Company shall not be obligated to segregate payroll deductions or pay interest thereon.

(c) No Limit on Other Compensation Plans or Arrangements. Nothing contained in the Plan shall prevent the Company from adopting or continuing in effect other or additional compensation plans or

arrangements, and such plans or arrangements may be either generally applicable or applicable only in specific cases.

(d) No Right to Employment. Participation in the Plan shall not be construed as giving a Participant the right to be retained as an employee of the Company, nor will it affect in any way the right of the Company to terminate a Participant's employment at any time, with or without cause.

(e) No Guarantee of Tax Consequences. No person connected with the Plan in any capacity, including, but not limited to, the Company and its directors, officers, agents and employees, makes any representation, commitment, or guarantee that any tax treatment, including, but not limited to, federal, state and local income tax treatment, will be applicable, or that such tax treatment will apply to or be available to a Participant on account of participation in the Plan.

(f) Government and Other Regulations. The Plan, and the grant and exercise of the rights to purchase shares hereunder, and the Company's obligation to sell and deliver shares upon the exercise of rights to purchase shares, shall be subject to all applicable federal, state and foreign laws, rules and regulations, and to such approvals by any regulatory or government agency as may, in the opinion of counsel for the Company, be required.

(g) Indemnification. The Company shall indemnify and hold harmless each member of the Board or the Committee and other persons connected with the Plan in any capacity, including, but not limited to, the employees and directors of the Company performing services on behalf of the Committee, against any liability, cost or expense arising as a result of any claim asserted by any person or entity with respect to any action or failure to act of such individuals taken in connection with this Plan, except claims or liabilities arising on account of the willful misconduct or bad faith of such Board member, Committee member or individual.

(h) Governing Law; Venue. The validity and construction of the Plan and all determinations made and actions taken pursuant hereto, to the extent that federal laws do not control, will be governed by the laws of the State of New York, without giving effect to the principles of conflicts of laws. Any action arising under or related to the Plan shall be subject to the jurisdiction and venue of the courts located in Monroe County, New York.

(i) Severability. If any provision of the Plan is, becomes or is deemed to be invalid, illegal or unenforceable in any jurisdiction, or would disqualify the Plan under any law deemed applicable by the Committee, then such provision shall be construed or deemed amended to conform to applicable laws, or if it cannot be so construed or deemed amended without, in the determination of the Committee, materially altering the purpose or intent of the Plan, such provision shall be stricken as to such jurisdiction, and the remainder of the Plan shall remain in full force and effect.

(j) References. Unless otherwise indicated, all references to "Sections" contained herein are references to Sections of this Plan.

(k) Headings. Headings are given to the Sections and subsections of the Plan solely as a convenience to facilitate reference. Such headings shall not be deemed in any way material or relevant to the construction or interpretation of the Plan or any provision thereof.

(l) Gender and Number. As used herein, and as appropriate to the context, the masculine pronoun shall include the feminine and the neuter, and the single shall include the plural.

Letterhead of Harter Secrest & Emery LLP

August 24, 2010

Graham Corporation
20 Florence Avenue
Batavia, New York 14020

Ladies and Gentlemen:

We have acted as counsel to Graham Corporation, a Delaware corporation (the "Company"), in connection with its filing of a registration statement on Form S-8 under the Securities Act of 1933, as amended (such registration statement, as it may be amended from time to time, is referred to herein as the "Registration Statement") with the Securities and Exchange Commission with respect to the registration of 200,000 shares of the Company's Common Stock, par value \$0.10 per share (the "Shares") issuable pursuant to the Graham Corporation Employee Stock Purchase Plan (together with any accompanying agreements, the "Plan"). This opinion is furnished to you at your request to enable you to fulfill the requirements of Item 601(b)(5) of Regulation S-K, 17 C.F.R. § 229.601(b)(5), in connection with the filing of the Registration Statement.

As such counsel, and for purposes of our opinions set forth below, we have examined originals or copies, certified or otherwise, identified to our satisfaction, of such other documents, corporate records, certificates of officers of the Company and of public officials and other instruments as we have deemed necessary or advisable to enable us to render these opinions.

For purposes of this opinion, we have with your permission made the following assumptions, in each case without independent verification: (i) the due authorization, execution and delivery of all documents by all the parties thereto; (ii) the genuineness of all signatures on all documents submitted to us; (iii) the authenticity and completeness of all documents, corporate records, certificates and other instruments submitted to us; (iv) that photocopy, electronic, certified, conformed, facsimile and other copies submitted to us of original documents, corporate records, certificates and other instruments conform to the original documents, records, certificates and other instruments, and that all such original documents, corporate records, certificates and other instruments were authentic and complete; (v) the legal capacity of all individuals executing documents; (vi) that all documents are the valid and binding obligations of each of the parties thereto, enforceable against such parties in accordance with their respective terms and that no such documents have been amended or terminated orally or in writing; (vii) that the statements contained in the certificates and comparable documents of public officials, officers and representatives of the Company and other persons on which we have relied for the purposes of this opinion are true and correct; and (viii) that all of the Shares will be issued for the consideration permitted under the Plan as currently in effect, and none of such Shares will be issued for less than the par value per share. As to all questions of fact material to this opinion, we have relied (without independent investigation) upon certificates or comparable documents of officers and representatives of the Company.

Based upon, subject to and limited by the foregoing, we are of the opinion that following (i) effectiveness of the Registration Statement with the Securities and Exchange Commission, (ii) issuance of the Shares in accordance with the terms of the Plan, and (iii) receipt by the Company of the consideration for the Shares as specified in the Plan, the Shares will be validly issued, fully paid, and nonassessable.

We express no opinion with regard to the law of any jurisdiction other than the Delaware General Corporation Law, including the applicable provisions of the Delaware Constitution and the reported judicial decision interpreting such law, as in effect as of the date hereof.

This opinion letter deals only with the specified legal issues expressly addressed herein, and you should not infer any opinion that is not explicitly addressed herein from any matter stated in this letter.

We consent to the use of this opinion as an exhibit to the Registration Statement. In giving such 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 of 1933, as amended and the rules and regulations thereunder. This opinion is rendered to you as of the date hereof and we assume no obligation to advise you or any other person hereafter with regard to any change after the date hereof in the circumstances or the law that may bear on

the matters set forth herein even though the changes may affect the legal analysis or legal conclusion or other matters in this letter.

Very truly yours,

/s/ Harter Secrest & Emery LLP

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in this Registration Statement on Form S-8 of our reports dated May 25, 2010, relating to the consolidated financial statements and financial statement schedule of Graham Corporation and subsidiary (which report on the consolidated financial statements expresses an unqualified opinion and includes an explanatory paragraph related to the adoption of the measurement date provisions of Financial Accounting Standards Board Accounting Standards Codification Topic 715, *Compensation — Retirement Benefits*, as of April 1, 2008) and the effectiveness of Graham Corporation's internal control over financial reporting, appearing in the Annual Report on Form 10-K of Graham Corporation and subsidiary for the year ended March 31, 2010.

/s/ Deloitte & Touche LLP

Rochester, New York

August 23, 2010