

# Vicon Industries, Inc.

## Compensation Committee Charter

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### **Purpose of the Committee**

The purpose of the Compensation Committee (the “Committee”) of the Board of Directors (the “Board”) of Vicon Industries, Inc. (the “Company”) is to carry out and perform the responsibilities and duties set forth in this Charter.

### **Committee Membership**

The Committee shall consist of at least three members of the Board who satisfy the independence requirements of the NYSE MKT, as such requirements are interpreted by the Board in its business judgment. The Board may further consider at any time whether Committee members also need to qualify as outside directors within the meaning of Section 162(m) of the Internal Revenue code and as non-employee directors within the meaning of Rule 16b-3 of the Securities and Exchange act of 1934.

The members of the Committee are appointed by the Board and serve until their successors are duly appointed or until their retirement, resignation, death or removal by the Board. The Chairman of the Committee shall be designated by the Board or by majority vote of the Committee members.

### **Committee Authorities and Responsibilities**

The functions of the Committee, on behalf of the Board, shall include having responsibility:

1. To review compensation philosophy and major compensation programs, and to administer particular programs for which the Committee is the designated administrator.
2. To annually review and approve (i) executive compensation programs, (ii) goals and objectives relevant to CEO compensation and, based on its own evaluation of performance in light of those goals and objectives as well as input from the Corporate Governance Committee, to determine and approve the total compensation of the CEO, and (iii) the total compensation of all other executive officers. Upon approval of the compensation of the CEO and other executive officers, the Committee shall report such determinations to the Board.
3. To administer and determine the Company’s incentive-compensation and equity-based compensation and approve stock option and other stock incentive awards for senior executive officers. Upon approval of such stock option and other stock incentive awards, the Committee shall report such determinations to the Board.
4. To make recommendations to the Board with respect to, and monitor compliance by directors and senior executive officers with, the Company’s stock ownership guidelines.

5. To review proposed new compensation arrangements, and review and recommend to the Board employment agreements and severance arrangements for senior executive officers, including change-in-control provisions, plans or agreements.
6. To periodically review the design of and approve the Company's benefit plans.
7. To review and discuss with management the Compensation Discussion and Analysis required by the rules of the Securities and Exchange Commission (SEC) and, based on such review and discussion, recommend to the Board the inclusion of the Compensation Discussion and Analysis in the Company's annual proxy statement.
8. To prepare the Committee's report as required by the rules of the Securities and Exchange Commission to be included in the Company's annual proxy statement.
9. To periodically assess the Company's risk relating to its compensation policies and practices and report its assessment to the Board.
10. To review this Charter annually and recommend any changes to the Board for approval.
11. To review the Committee's own performance annually.

## **Meetings and Procedures of the Committee**

The Committee shall meet as often as necessary to carry out its duties and responsibilities. The Committee may ask members of management or others to attend its meetings and to provide pertinent information to the Committee. A majority of the members of the Committee shall constitute a quorum. The Committee shall maintain minutes of its meetings and regularly deliver to the Board a report, which may be oral, on its activities. In the event the Chairman is not present at a meeting, the Committee members present at that meeting shall designate one of its members as the acting chair of such meeting.

The Committee may, in its discretion, form and delegate authority to subcommittees, including a single member, when appropriate and consistent with applicable law.

## **Committee Resources**

The Committee shall have the resources and authority appropriate to discharge its duties and responsibilities, including retaining outside counsel, outside search firm and any other advisors as the Committee may deem appropriate in its sole discretion. The Committee shall have sole authority to retain and terminate any such counsel, search firm or advisor, including sole authority to approve its fees and other retention terms.