

VUZIX CORPORATION

COMPENSATION AND HUMAN CAPITAL COMMITTEE OF THE BOARD OF DIRECTORS CHARTER

Approved by the Board of Directors on February 23, 2023

Overview of Responsibilities

The Compensation and Human Capital Committee of the Board (“the Compensation & HC Committee”, or “the Committee”) has five main areas of responsibility, as follows:

1. It sets compensation levels for the Chief Executive Officer (“CEO”), all other executive officers of the Company, and members of the Company’s Board of Directors; establishes compensation, incentive and benefit plans for such individuals; assesses risk in such plans; and approves payments under such incentive plans.
2. It reviews and approves the recipients of stock options to Company executive officers, establishing the timing of grants, and setting the option exercise price within the terms of the Option Plan, and it monitors compliance of officer and director stock activities to Company policies and securities law.
3. It works with the Company’s senior management on executive development, succession planning, and emergency succession planning.
4. As part of the Board’s overall responsibilities for ESG (Environmental, Social, and Governance) elements of the Company’s strategy and performance, it reviews strategies, policies, and results related to the Company’s human capital management function (HCM), including but not limited to those regarding diversity, equity and inclusion (DE&I).
5. It prepares annual reporting including the Compensation Discussion and Analysis component of the Company’s annual proxy statement, as well as the annual Compensation and Human Capital Committee Report.

Membership; Quorum

The membership of the Committee consists of at least three directors, each of whom shall be independent as defined under Section 10A(m)(3) of the Securities Exchange Act of 1934, and the rules and regulations promulgated by the Securities and Exchange Commission (“SEC”), as well as the rules of the NASD and any other stock exchange on which the securities of the Company are then traded.

The members of the Committee are elected by the Board at its annual meeting held in conjunction with the annual shareholders meeting. Members of the Committee shall hold their office until their successors shall have been duly elected and qualified, or until such member’s earlier resignation or removal. The Board shall have the power at any time to remove from or add to the membership of the Committee and to fill vacancies, subject to the independence and minimum size requirements referred to above.

A majority of the Committee members then in office shall constitute a quorum. The act of a majority of the members present at a meeting at which a quorum is present shall be deemed an act of the Committee.

Chairperson; Responsibilities

Unless a Chairperson is elected by the full Board, the members of the Committee may designate a Chairperson by majority vote of the full Committee membership.

The Chair shall convene and preside over all meetings of the Committee, set agendas for the meetings, determine the information needs of the Committee, and report Committee actions to the Board. In the absence of the Chair during any Committee meeting, the Committee may designate a chair pro tempore.

Operations

The Committee meets at least four times a year. Additional meetings may occur as the Committee or its Chairperson deems advisable. The Committee will cause to be kept adequate minutes of all its proceedings and will report its actions at the next meeting of the Board. Committee members will be furnished with copies of the minutes of each meeting and any action taken by unanimous consent. The Committee is governed by the same rules regarding meetings (including meetings by conference telephone or similar communications equipment), action without meetings, notice, waiver of notice, and quorum and voting requirements as are applicable to the Board.

Authority

The Committee will have the resources and authority necessary to discharge its duties and responsibilities, including the authority to retain outside counsel or other experts or consultants, as it deems appropriate and subject to the approval of a majority of the Committee. Any communications between the Committee and legal counsel in the course of obtaining legal advice will be considered privileged communications of the Company, and the Committee will take all necessary steps to preserve the privileged nature of those communications.

Responsibilities

The Committee will have the following duties, consistent with applicable law, the rules of the SEC and applicable U.S. securities regulators, the rules of the NASD and of any other stock exchange on which the securities of the Company are then traded:

Compensation Levels for Executive Officers and Directors

- Review and approve goals and objectives of the CEO and executive management in consultation with the full Board.
- In light of those objectives, set CEO and executive management compensation levels consistent with those objectives and other relevant factors such as market data and the stated Compensation Philosophy. Additionally, evaluate the CEO's performance. The Committee shall determine the nature and frequency of the evaluation, supervise the conduct of the evaluation, and prepare an assessment of the performances of the CEO to be

discussed with the Board and the CEO.

- Review and approve the consideration paid to non-employee directors for any annual retainers, committee chair compensation, and/or meeting fees. No member of the Committee will act to fix his or her own compensation except for uniform compensation paid to all directors for their services.
- Review and approve the awards made under any executive officer bonus plan and provide an appropriate report to the Board.
- Review and approve compensation packages for new executive officers and directors and termination packages for the same, and for other company employees as requested by management.

Compensation Philosophy

The Committee is responsible for developing, reviewing and updating a philosophy that it can use in reviewing the Company's compensation policies. These are designed to attract and retain highly skilled individuals, reward outstanding individual performance, encourage cooperative team efforts and provide an incentive to enhance long-term stockholder value.

In establishing salaries for the Company's Chief Executive Officer, other executive officers, and directors, consideration may be given to salary ranges for comparable positions in similarly sized companies, with various measurements of size taken into consideration (e.g., revenues, market capitalization, etc.). Data for such comparisons shall be obtained from nationwide surveys conducted by independent compensation consulting firms and from reviewing compensation information included in the proxy statements of an appropriate set of peer group companies, updated from time to time as appropriate.

In setting salaries, the Committee considers performance-related factors including the Company's overall results during the past year and its performance relative to a budgeted plan or stated objectives. Consideration also is given to an individual's contribution to the Company and the accomplishments of departments for which that officer has management responsibility. Potential for future contributions to the Company is also considered for all executive officers and directors.

Compensation Responsibilities

- Review the competitiveness of the Company's executive compensation programs and director compensation to: (a) attract and retain qualified individuals, (b) provide motivation to achieve the Company's business objectives, and (c) align the interest of key leadership with the long-term interests of the Company's shareholders.
- Review trends in management and director compensation, oversee the design and regular revision of a peer group of similar companies for the purposes of understanding and comparing executive and director compensation, oversee the development of new compensation plans and, when necessary, approve any revision(s) of existing plans.
- Review and make recommendations concerning any new long-term incentive compensation plans, including the use of stock options and other equity-based plans. Except as otherwise delegated by the Board, the Committee will act on behalf of the

Board to administer equity-based and employee benefit plans, and will discharge any responsibilities imposed on the Committee under those plans, including making and authorizing grants to executive officers, in accordance with the terms of those plans.

- Review and consider the results of the Company’s most recent “Say on Pay” vote and remuneration-related shareholder proposals, if any, and any other feedback garnered through the Company's ongoing shareholder outreach that may be in effect from time to time, and recommend to the Board whether and, if so, how the Company should respond to “Say on Pay” and shareholder proposal vote outcomes and other shareholder feedback.

Planning; Other Approvals

- Review and discuss with the Board and senior officers the plans for officer development, corporate succession, and emergency succession plans for the CEO and other senior officers.
- Review periodic reports from management on matters relating to the Company’s personnel appointments and practices.
- Review and approve the implementation or revision of any clawback policy allowing the Company to recoup compensation paid to executive officers and other employees.
- Establish and monitor compliance with any stock ownership and holding guidelines of the Company that are applicable to executive officers or directors, and monitor compliance with any adopted share ownership guidelines. Also, monitor compliance of executive officer and outside director stock acquisition and disposition guidelines, ensuring such activities only take place within allowable acquisition/disposition windows established by the Company and in compliance with SEC and exchange requirements.
- Review periodic reports, as available, from management on matters relating to the Company’s overall human capital management (HCM), including but not limited to its strategies, policies, progress, and outcomes in insuring diversity, equity, and inclusion (DE&I).
- Oversee the production of a) the Compensation Discussion & Analysis (CD&A) section of the Company’s annual proxy statement, and b) an annual Report of the Compensation and Human Capital Committee on Executive and Director Compensation for the Company’s annual proxy statement, all in compliance with applicable SEC rules and regulations, as well as those of the NASD and any other relevant listing authorities.
- Monitor evolving best practices in public company compensation committee scope and activities, as well as changing regulations, to ensure the Committee is abreast of changes that affect its responsibilities to the Board, the Company, and the shareholders.
- Annually evaluate the Committee’s performance and this Charter and provide reports on same to the full Board.

Finally, the Compensation and Human Capital Committee shall carry out such other duties as may be delegated to it by the Board from time to time.