



**MITEK SYSTEMS, INC.**

**CHARTER OF THE COMPENSATION COMMITTEE  
OF THE BOARD OF DIRECTORS**

**Adopted on February 23, 2011**

**Introduction**

The Compensation Committee is appointed by the Board of Directors of the Company. This Charter specifies the scope of authority and responsibility of the Committee and amends and restates any previous charter of the Committee. The principal function of the Committee is to discharge the Board's responsibilities relating to compensation of the Company's CEO and other executive officers. The term "executive officer" has the same meaning specified for the term "officer" in Rule 16a-1(f) under the Securities Exchange Act of 1934, as amended. The Committee has overall responsibility for evaluating and approving all compensation plans, policies and programs of the Company as they affect the CEO and the other executive officers. The Compensation Committee is also responsible for producing an annual report on executive compensation as, and if, required by the SEC for inclusion in the Company's annual proxy statements or annual report on Form 10-K.

**Composition And Qualifications**

The Committee shall have at least two members at all times, and shall be comprised entirely of directors who are "independent" under the standards set forth in the applicable rules promulgated by the SEC and Nasdaq Marketplace Rules, and are free of any relationship that, in the opinion of the Board of Directors, would interfere with their exercise of independent judgment. In addition, each member of the Committee must qualify as (a) a "non-employee director," as that term is defined in Rule 16b-3 promulgated under the Exchange Act, and (b) an "outside director," as that term is defined in Section 162(m) of the Internal Revenue Code of 1986, as amended.

Members may be required to participate in continuing education to the extent mandated by applicable law, the Company's Corporate Governance Guidelines or the Listing Rules of any stock exchange on which the Company's shares are traded.

The members of the Committee will be appointed by and serve at the discretion of the Board. The Board may remove any member from the Committee at any time with or without cause.

The Committee may, by resolution passed by a majority of the Committee, designate one or more subcommittees, each subcommittee to consist of one or more members of the Committee. Any such subcommittee, to the extent provided in the resolutions of the Committee and to the extent not limited by applicable law or the Listing Rules, will have and may exercise all the powers and authority of the Committee. Each subcommittee will have such name as may be determined by resolution adopted by the Committee. Each subcommittee will keep regular minutes of its meetings and report the same to the Committee or the Board at its scheduled meetings. Such subcommittee may have a charter, as determined by the Committee.

### **Meetings**

The Committee shall meet as frequently as circumstances dictate, but not less than twice a year. Additional meetings may occur as the Committee or its chair deems advisable. The Board shall name a chairperson of the Committee, who shall prepare and/or approve an agenda in advance of each meeting and shall preside over meetings of the Committee. In the absence of a Board-appointed chairperson at any meeting, the Committee shall select a chairperson for that meeting. A majority of the members of the Committee shall constitute a quorum and the act of a majority of the members present at a meeting where a quorum is present shall be the act of the Committee. The Committee may also act by unanimous written consent of its members. The Committee shall maintain minutes or other records of its meetings and activities, and will report on its actions and activities at each quarterly meeting of the Board. Committee members will be furnished with copies of the minutes of each meeting and any action taken by unanimous consent. Except as otherwise specified herein, 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. The Committee is authorized and empowered to adopt its own rules of procedure not inconsistent with any provision of this Charter, any provision of the Bylaws or Certificate of Incorporation of the Company or any applicable law, rule, regulation or Listing Rule.

### **Responsibilities, Duties And Powers**

The Committee will have the resources and authority necessary to discharge its duties and responsibilities. Any action duly and validly taken by the Committee pursuant to the power and authority conferred under this Charter shall for all purposes constitute an action duly and validly taken by the Board and may be certified as such by the Secretary or other authorized officer of the Company. The Committee has sole authority to retain and terminate any compensation consultant to be used to assist it in the evaluation of CEO or executive officer compensation. The Committee shall have sole authority to approve such consultants' fees and retention terms. The Committee shall also have authority to obtain advice and assistance from internal or external legal, accounting or other advisors. 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 reasonable steps necessary to preserve the privileged nature of those communications.

The Committee's specific responsibilities and powers are to:

- At least annually, review and approve corporate goals and objectives relevant to CEO compensation, evaluate the CEO's performance in light of those goals and objectives and determine and approve the CEO's overall compensation levels based on this evaluation. In determining the long-term incentive components of CEO compensation, the Committee shall consider the Company's performance and relative stockholder return, the value of similar incentive awards to CEOs at comparable companies and the awards given to the CEO in past years. To avoid confusion, the Committee is not precluded from approving awards (with or without ratification of the Board) as may be required to comply with applicable tax laws, such as Section 162(m) of the Code.
- Make recommendations to the Board with respect to incentive-compensation and equity-based plans that are subject to Board approval.
- Make recommendations to the Board annually with respect to the compensation, including annual base salaries and annual incentive opportunities, of the executive officers other than the CEO.
- As and when appropriate, but at least annually, review and approve the following as they affect the CEO and the other executive officers: (i) any employment agreements and severance arrangements and (ii) any change of control agreements and change of control provisions affecting any elements of compensation and benefits.
- At least annually, review and approve any special or supplemental compensation and benefits for the CEO and the other executive officers and persons who formerly served as the CEO and/or as other executive officers, including supplemental retirement benefits and the perquisites provided to them during and after employment.
- Work with the Board to nominate and evaluate potential successors to the CEO and to ensure that a succession plan for the CEO and other key officers of the Company is in effect, with such input from the Nominating and Governance Committee as the Board deems desirable.
- Periodically review and recommend the compensation for directors with respect to service on the Board and Board committees, including cash-based and equity-based compensation. The Committee will consider that directors' independence may be jeopardized if director compensation and perquisites exceed customary levels, if the Company makes substantial

charitable contributions to organizations with which a director is affiliated or if the Company enters into consulting contracts with (or provides other indirect forms of compensation to) a director or an organization with which the director is affiliated.

- Receive periodic reports on the Company's compensation programs as they affect all employees.
- Monitor the Company's compliance with the requirements under the Sarbanes-Oxley Act of 2002 relating to 401(k) plans and loans to directors and officers and with all other applicable laws affecting employee compensation and benefits.
- Oversee the Company's compliance with requirements under the Listing Rules relating to stockholder approval of equity compensation plans.
- Produce a report of the Committee on executive officer compensation as required by the SEC to be included in the Company's annual proxy statements or annual report on Form 10-K filed with the SEC.
- Provide oversight and have direct responsibility for other compensation disclosures included in the Company's SEC reports, including any compensation discussion and analysis.
- Regularly review and recommend changes to this Charter as appropriate.
- Perform an annual evaluation of the Committee's performance, report the results of this evaluation to the Board together with recommendations, and make appropriate changes.
- Undertake such additional responsibilities as from time to time may be delegated to it by the Board, required by the Company's Certificate of Incorporation or Bylaws or required by law or the Listing Rules.
- Review and discuss the Compensation Discussion and Analysis required by Item 402(b) of Regulation S-K with management and, based on such review and discussion, recommend to the Board whether to include the Compensation Discussion and Analysis in the Company's annual report on Form 10-K, proxy statement on Schedule 14A or information statement on Schedule 14C.

## **Compensation**

Members of the Committee shall receive compensation for their services as defined and approved by the Board of Directors.