

**MOCON, INC.**  
**COMPENSATION COMMITTEE CHARTER**

***Organization***

The compensation committee (the “Committee”) is a standing committee of the Board of Directors (the “Board”) of MOCON, Inc. (the “Company”). This charter shall govern the operations of the Committee.

***Purpose and Authority***

The primary purpose of the Committee is to:

- provide assistance to the Board in fulfilling its oversight responsibility relating to compensation of the Company’s Chief Executive Officer (“CEO”) and other executive officers;
- administer the Company’s equity compensation plans;
- annually prepare a report on executive compensation for inclusion in the Company’s annual report on Form 10-K and annual meeting proxy statement pursuant to which the Committee states that it has reviewed and discussed with management the “Compensation Discussion and Analysis” section and based on such review and discussions makes a recommendation to the Board as to whether the “Compensation Discussion and Analysis” section should be included in the Company’s annual report on Form 10-K and annual meeting proxy statement in accordance with applicable rules and regulations of the Securities and Exchange Commission (the “SEC”) and any other applicable regulatory bodies; and
- review, assess and approve overall strategies for attracting, developing, retaining and motivating Company management and employees.

The Committee has the power and authority to engage and determine funding for outside counsel or other experts or advisors as the Committee deems necessary or appropriate to carry out its duties and responsibilities. The Company shall provide appropriate funding, as determined by the Committee, for any advisors employed by the Committee as well as for the payment of ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

***Membership and Structure***

The Committee shall consist of at least two directors. Each member of the Committee shall be an “independent director” within the meaning of the rules and regulations established by the Nasdaq Global Market System, a “non-employee director” within the meaning of Rule 16b-3 under the Securities Exchange Act of 1934, as amended, and an “outside director” as defined by Section 162(m) of the Internal Revenue Code of 1986, as amended. The Board shall be responsible for determining whether a Committee member is an “independent director” and meets the other qualifications. Notwithstanding the foregoing, the Board may decide at any time and in its sole discretion to waive one or more of the foregoing qualifications with respect to a new member of the Committee for a transitional time period.

Appointment to the Committee, including the designation of the Chair of the Committee, shall be made on an annual basis by the full Board upon recommendation of the Nominating Committee. Meetings of the Committee shall be held at such times and places as the Committee shall determine, including by written consent. The Committee may invite members of management, compensation consultants or other

advisors to attend meetings and provide pertinent information. When necessary, the Committee shall meet in executive session outside of the presence of any senior executive officer of the Company. The Chair of the Committee shall report on activities of the Committee to the full Board. In fulfilling its responsibilities, the Committee shall have authority to delegate its authority to subcommittees, in each case to the extent permitted by applicable law.

### ***Duties and Responsibilities***

The Committee shall have the power and authority of the Board to perform the following duties and to fulfill the following responsibilities:

- determine, or recommend to the Board for its determination, the annual salaries, incentive compensation, long-term compensation and any other compensation applicable to the CEO and the Company's executive officers; provided, however, that notwithstanding the Committee's authority to invite members of Company management to attend Committee meetings, the CEO may not be present during the Committee's or Board's deliberations or voting concerning the CEO's compensation arrangements;
- review and approve, or make recommendations to the Board, regarding employment agreements, severance arrangements, deferred compensation arrangements, change in control agreements/provisions and any other similar compensation arrangements, in each case as, when and if appropriate, for the CEO and the other executive officers of the Company;
- establish, and from time to time review and revise, corporate goals and objectives with respect to compensation for the CEO and other executive officers and establish and lead a process for the full Board to evaluate the performance of the CEO and other executive officers in light of those goals and objectives;
- administer the Company's equity compensation plans and determine specific grants of options or other equity-based awards for all executive officers and general grant levels for other employees, under the Company's equity compensation plans;
- administer the Company's incentive compensation plans applicable to the Company's executive officers, including the annual establishment of (i) eligible employees, (ii) performance goals, and (iii) target incentive compensation levels;
- review the Company's policies with respect to employee benefit plans;
- establish and from time to time review and revise the Company's processes and procedures for the consideration and determination of executive compensation, including but not limited to the role of executive officers in determining or recommending the amount or form of executive compensation and any role of compensation consultants in determining or recommending the amount or form of executive compensation;
- annually review and discuss with management the "Compensation Discussion and Analysis" section and based on such review and discussions make a recommendation to the Board as to whether the "Compensation Discussion and Analysis" section should be included in the Company's annual report on Form 10-K and annual meeting proxy statement in accordance with applicable rules and regulations of the SEC and any other applicable regulatory bodies;

- perform any other activities consistent with this charter, the Company's bylaws and governing law as the Committee or the Board deems appropriate; and
- review and reassess the adequacy of this charter at least annually and recommend any proposed changes to the charter to the Board.

Notwithstanding the foregoing, the Board may at any time and in its sole discretion assume responsibility for any of the foregoing duties and responsibilities, including without limitation in the event that the Board waives one or more of the qualifications of Committee members described above with respect to a new member of the Committee for a transitional time period. In addition, notwithstanding the foregoing, any action of the Committee may be subject to Board review and may be revised, modified or rescinded by the Board.

Approved by the  
Board of Directors of MOCON, Inc.:  
February 13, 2007