



Dear Fellow Employee,

This manual has been adopted by the Vicon Industries, Inc. (“Vicon” or “the Company”) Board of Directors as our Company's Code of Ethics and Business Conduct. It summarizes the principles that guide our actions in the conduct of global business. Our Code applies to all Vicon employees world wide, members of the Board of Directors, agents, consultants, contract labor, or others, when they are representing or acting for the Company. We expect our contractors and suppliers to be guided by these standards as well. Our Code promotes “doing the right things” to maintain our personal and institutional integrity.

At Vicon, we believe that ethical conduct requires more than simply complying with the laws, rules, and regulations that govern our business. We are a company that values teamwork, sets team goals, assumes collective accountability for actions, embraces diversity, and shares leadership. We are committed to excellence and pursue superior performance in every activity. However, it is the personal integrity of each of our employees and their commitment to the highest standards of personal and professional conduct that underlie the ethical culture of Vicon.

While we remain sensitive to the diverse social and cultural settings in which we conduct our business, Vicon strives for ethical conduct at all of our locations throughout the world. We will achieve this through behavior in accordance with six principles: Honesty, Integrity, Respect, Trust, Responsibility, and Citizenship.

Honesty: to be truthful in all our endeavors; to be honest and forthright with one another and with our customers, communities, suppliers, and shareholders.

Integrity: to say what we mean, to deliver what we promise, to fulfill our commitments, and to stand for what is right.

Respect: to treat one another with dignity and fairness, appreciating the diversity of our workforce and the uniqueness of each employee.

Trust: to build confidence through teamwork and open, candid communication.

Responsibility: to take responsibility for our actions, and to speak up -- without fear of retribution -- and report concerns in the workplace, including violations of laws, regulations and company policies, and seek clarification and guidance whenever there is doubt.

Citizenship: to obey all the laws of the United States and other countries in which we do business and to do our part to make the communities in which we live and work better.

There are numerous resources available to assist you in meeting the challenge of performing your duties and responsibilities. If you are faced with an ethical dilemma, your supervisor is usually the best source of information and guidance. Additionally, Human Resources, as well as our designated Ethics Officer (as discussed later in this manual), are available to assist you whenever necessary. Although your own common sense and good judgment should be your first guide to appropriate conduct, do not hesitate to use these additional resources whenever clarification is necessary.

We are proud of our employees and the important role our Company plays in the community and our industry. Thank you for doing your part to create and maintain an ethical work environment.

KENNETH M. DARBY
Chairman and
Chief Executive Officer

April 2004

Our Commitments

For our employees we are committed to honesty, just management, fairness, providing a safe and healthy environment free from the fear of retribution, and respecting the dignity due everyone.

For our customers we are committed to produce reliable products and services, delivered on time, at a fair price.

For the communities in which we live and work we are committed to observe sound environmental business practices and to act as concerned and responsible neighbors, reflecting all aspects of good citizenship.

For our shareholders we are committed to pursuing profitable growth, without taking undue risk, to exercising financial discipline in the deployment of our assets and resources, and to making accurate, timely, and clear disclosures in all public reports and communications.

For our suppliers and partners we are committed to fair competition and the sense of responsibility required of a good customer and teammate.

Obey the Law

We will conduct our business in accordance with all applicable laws and regulations. Compliance with the law does not comprise our entire ethical responsibility. Rather, it is a minimum, absolutely essential condition for performance of our duties.

Promote a Positive Work Environment

All employees want and deserve a workplace where they feel respected, satisfied, and appreciated. We respect cultural diversity and recognize that the various countries in which we do business may have different legal provisions pertaining to the workplace. As such, we will adhere to the limitations specified by law in all of our localities, and further, we will not tolerate harassment or discrimination of any kind -- especially involving age, sex, ancestry, color, disability, national origin, race, religion, United States military veteran's status, sexual orientation, marital status, or family structure.

Providing an environment that supports honesty, integrity, respect, trust, responsibility, and citizenship permits us the opportunity to achieve excellence in our workplace. While everyone who works for the Company must contribute to the creation and maintenance of such an environment, our executives and management personnel assume special responsibility for fostering a work environment that is free from the fear of retribution and will bring out the best in all of us. Supervisors must be careful in words and conduct to avoid placing, or seeming to place, pressure on subordinates that could cause them to deviate from acceptable ethical behavior.

Work Safely: Protect Yourself, Your Fellow Employees, and the World We Live In

We are committed to providing a drug-free, safe, and healthy work environment, and to observe environmentally sound business practices throughout the world. Each of us is responsible for compliance with environmental, health, and safety laws and regulations. Observe posted warnings and regulations. Report immediately to the appropriate management any accident or injury sustained on the job, or any environmental or safety concern you may have.

Keep Accurate and Complete Records

We must maintain accurate and complete Company records. Transactions between the Company and outside individuals and organizations must be promptly and accurately entered in our books in accordance with generally accepted accounting practices and principles in the United States. No one should rationalize or even consider misrepresenting facts or falsifying records. It will not be tolerated and will result in disciplinary action.

Make Accurate Public Disclosures

We must assure that all disclosures made in all periodic reports and documents filed with the Securities and Exchange Commission, and other public communications by the Company, are full, fair, accurate, timely, and understandable. This obligation applies to all employees, including all financial executives, with any responsibility for the preparation of such reports, including drafting, reviewing, and signing or certifying the information contained therein. This requires operating in an environment of open communication, while not compromising proprietary and confidentiality concerns.

If you have concerns about any aspect of our financial disclosures, you should talk to your manager, the Finance Department, or the Ethics Office. Any employee who is contacted by another employee expressing concerns about questionable accounting or auditing matters must immediately report those concerns to the Ethics Office.

Strictly Adhere to All Antitrust Laws

Antitrust is a blanket term for laws that protect the free enterprise system and promote open and fair competition. Such laws exist in the United States, the European Union, and in many other countries where the Company does business. These laws deal with agreements and practices "in restraint of trade" such as price fixing and boycotting suppliers or customers, for example. They also bar pricing intended to run a competitor out of business; disparaging, misrepresenting, or harassing a competitor; stealing trade secrets; bribery; and kickbacks.

Antitrust laws are vigorously enforced. Violations may result in severe penalties such as forced sales of parts of businesses and significant fines against the Company. There may also be sanctions against individual employees including substantial fines and prison sentences. These laws also apply to international operations and transactions related to imports into and exports from the countries in which we do business. Employees involved in any dealings with competitors are expected to know that U.S. and other

countries' antitrust laws may apply to their activities and to consult with Corporate Headquarters prior to negotiating with or entering into any arrangement with a competitor.

Know and Follow the Law When Involved in International Business

Corruption erodes confidence in the marketplace, undermines democracy, distorts economic and social development, and hurts everyone who depends on trust and transparency in the transaction of business. The Company is committed to conduct its activities free from the unfair influence of bribery and to foster anti-corruption awareness among its employees and business relations throughout the world. There are several laws that govern these transactions:

- The Foreign Corrupt Practices Act (FCPA) is a United States law that prohibits corruptly giving, offering or promising anything of value to foreign officials or foreign political parties, officials or candidates, for the purpose of influencing them to misuse their official capacity to obtain, keep, or direct business or to gain any improper advantage. In addition, the FCPA prohibits knowingly falsifying a company's books and records or knowingly circumventing or failing to implement accounting controls. Employees involved in international operations must be familiar with the FCPA and with similar laws that govern our operations in other countries in which we do business.
- Additionally, it is illegal to enter into an agreement to refuse to deal with potential or actual customers or suppliers, or otherwise to engage in or support restrictive international trade practices or boycotts.

It is always important that employees conducting international business know and abide by the laws of the United States and the countries that are involved in the activities or transactions. These laws govern the conduct of Vicon employees throughout the world. If you participate in these business activities, you should know, understand, and strictly comply with these laws and regulations. If you are not familiar with these rules, consult with the Corporate Headquarters prior to negotiating any foreign transaction.

Follow the Law and Use Common Sense in Political Contributions and Activities

Vicon encourages its employees to become involved in civic affairs and to participate in the political process. Employees must understand, however, that their involvement and participation must be on an individual basis, on their own time, and at their own expense. In the United States, federal law prohibits corporations from donating corporate funds, goods, or services, directly or indirectly, to candidates for federal offices -- this includes employees' work time. Local and state laws also govern political contributions and

activities as they apply to their respective jurisdictions, and similar laws exist in other countries.

Carefully Bid, Negotiate, and Perform Contracts

We must comply with the laws and regulations that pertain to the acquisition of goods and services by our customers. We will compete fairly and ethically for all business opportunities. In circumstances where there is reason to believe that the release or receipt of non-public information is unauthorized, do not attempt to obtain and do not accept such information from any source.

Appropriate steps should be taken to recognize and avoid organizational conflicts in which one business unit's activities may preclude the pursuit of a related activity by another Company business unit.

If you are involved in proposals, bid preparations, or contract negotiations, you must be certain that all statements, communications, and representations to prospective customers are accurate and truthful. Once awarded, all contracts must be performed in compliance with specifications, requirements, and clauses.

Avoid Illegal and Questionable Gifts or Favors

The sale of Vicon products and services should always be free from even the perception that favorable treatment was sought, received, or given in exchange for the furnishing or receipt of business courtesies. Employees will neither give nor accept business courtesies that constitute, or could be reasonably perceived as constituting, unfair business inducements or that would violate law, regulation or policies of the Company or customer, or could cause embarrassment to or reflect negatively on the Company's reputation. Although customs and practices may differ among the many marketplaces in which we conduct our business, our policies in this regard are substantially similar within the United States and elsewhere throughout the world. As a matter of respect for the rich and diverse customs practiced among our business relations internationally, permissive conduct may differ somewhat in accordance with applicable policy or upon guidance from the Company's Ethics Officer.

Gifts, Gratuities, and Business Courtesies to U.S., State, and Local Government Employees

Federal, state and local government departments and agencies are governed by laws and regulations concerning acceptance by their employees of entertainment, meals, gifts, gratuities, and other things of value from firms and persons with whom those government

departments and agencies do business or over whom they have regulatory authority. It is the policy of Vicon to comply strictly with those laws and regulations.

Business Courtesies to Non-Government Persons

Meals, Refreshments and Entertainment

It is an acceptable practice for Vicon employees to provide meals, refreshments, entertainment, and other business courtesies of reasonable value to non-government persons in support of business activities, provided:

- The practice does not violate any law or regulation or the standards of conduct of the recipient's organization. It is the offeror's responsibility to inquire about prohibitions or limitations of the recipient's organization before offering any business courtesy; and
- The business courtesy must be consistent with marketplace practices, infrequent in nature, and may not be lavish or extravagant. While it is difficult to define "lavish or extravagant" by means of a specific dollar amount, a common sense determination should be made consistent with reasonable marketplace practices.

Gifts

Vicon employees are prohibited from offering or giving tangible gifts (including tickets to sporting, recreational, or other events) having a market value of \$100.00 or more, to a person or entity with which the Company does or seeks to do business, unless specifically approved by his or her supervisor and the Ethics Officer.

Business Courtesies to Foreign Government Personnel and Public Officials

The Company may be restricted from giving meals, gifts, gratuities, entertainment, or other things of value to personnel of foreign governments and foreign public officials by the Foreign Corrupt Practices Act and by laws of other countries. Employees must obtain prior Ethics Officer approval where the hospitality (i.e., meal, gift, gratuity, entertainment or other thing of value) to be given is not clearly permissible.

Business Courtesies to Vicon Employees

Meals, Refreshments and Entertainment

Although an employee may not use his or her position at Vicon to foster obtaining business courtesies, it is permissible to accept unsolicited meals, refreshments, entertainment, and other business courtesies on an occasional basis, provided:

- The acceptance will foster goodwill and successful business relations;
- The courtesies are not lavish or extravagant under the circumstances;
- The courtesies are not frequent and do not reflect a pattern or the appearance of a pattern of frequent acceptance of courtesies from the same entities or persons; and

- The employee accepting the courtesies would feel comfortable about discussing the courtesies with his or her manager or coworker, or having the courtesies known by the public.

It is the personal responsibility of each employee to ensure that his or her acceptance of such meals, refreshments, or entertainment is proper and could not reasonably be construed in any way as an attempt by the offering party to secure favorable treatment.

Gifts

Vicon employees are not permitted to accept compensation, honoraria, funds or monetary instruments in any form or amount, or any tangible gift (including tickets to sporting, recreational, or other events) that has a market value of \$100.00 or more, from any entity, representatives of any entity, or any person that does or seeks to do business with the Company, unless approved by his or her supervisor and the Company's Ethics Officer. Solicitation of gifts is always prohibited. If you have any questions about the propriety of a gift, gratuity, or item of value, contact your supervisor or the Ethics Officer.

If you buy goods or services for Vicon or are involved in the procurement process, you must treat all suppliers uniformly and fairly. In deciding among competing suppliers, you must objectively and impartially weigh all facts and avoid even the appearance of favoritism. For this reason, gifts from suppliers or vendors must not be accepted, except advertising or promotional items of nominal value such as a pen, key chain, water bottle, visor, cup or glass or similar items displaying a company's logo. Established routines and procedures should be followed in the procurement of all goods and services.

Steer Clear of Conflicts of Interest

Playing favorites or having conflicts of interest -- in practice or appearance - runs counter to the fair treatment to which we are all entitled. Avoid any relationship, influence, or activity that might impair, or even appear to impair, your ability to make objective and fair decisions when performing your job. A conflict of interest occurs whenever an individual's private interest interferes with the interest of the Corporation. We owe a duty to Vicon to advance its legitimate interests when the opportunity to do so arises. You should never use company property or information for personal gain, or take for yourself personally any opportunity that is discovered through your company position.

Here are some ways a conflict of interest could arise:

- Employment by a competitor or potential competitor, regardless of the nature of the employment, while employed by Vicon.

- Acceptance of gifts, payment, or services from those seeking to do business with Vicon.
- Placement of business with a firm owned or controlled by an employee or his/her family.
- Ownership of, or substantial interest in, a company that is a competitor or a supplier.
- Acting as a consultant to a Vicon customer or supplier.
- Having a personal interest or potential for gain in any company transaction.

Any situation, transaction, or relationship that might give rise to an actual or potential conflict of interest must be disclosed in writing to your supervisor and the Ethics Office.

Maintain the Integrity of Consultants, Agents, and Representatives

Business integrity is a key standard for the selection and retention of those who represent Vicon. Agents, representatives, or consultants must certify their willingness to comply with the Company's policies and procedures and must never be retained to circumvent our values and principles. Paying bribes or kickbacks, engaging in industrial espionage, obtaining the proprietary data of a third party without authority, or gaining inside information or influence are just a few examples of what could give us an unfair competitive advantage in a government procurement and could result in violations of law.

Protect Proprietary Information

Proprietary Company information may not be disclosed to anyone without proper authorization. Keep proprietary documents protected and secure. In the course of normal business activities, suppliers, customers, and competitors may sometimes divulge to you information that is proprietary to their business. Respect these confidences.

Obtain and Use Company and Customer Assets Wisely

Proper use of Company and customer property, electronic communication systems, information resources, material, facilities, and equipment is your responsibility. Use and maintain these assets with the utmost care and respect, guarding against waste and abuse, and never borrow or remove them from Company property without management's permission. Be cost-conscious and alert to opportunities for improving performance while reducing costs. While these assets are intended to be used for the conduct of Vicon's business, it is recognized that occasional personal use by employees may occur without adversely affecting the interests of the Company. Personal use of Company

assets must always be in accordance with corporate and company policy -- consult your supervisor for appropriate guidance and permission.

All employees are responsible for complying with the requirements of software copyright licenses related to software packages used in fulfilling job requirements.

Do Not Engage in Speculative or Insider Trading

In our role as a publicly owned company, we must always be alert to and comply with the securities laws and regulations of the United States and other countries.

It is against the law for employees to buy or sell Company stock based on material, non-public "insider" information about or involving the Company. Play it safe. Don't speculate in the securities of Vicon when you are aware of information affecting the Company's business that has not been publicly released or in situations where trading would call your judgment into question. This includes all varieties of stock trading such as options, puts and calls, straddles, selling short, etc. Two simple rules can help protect you in this area: (1) Don't use non-public information for personal gain. (2) Don't pass along such information to someone else who has no need to know.

This guidance also applies to the securities of other companies (suppliers, vendors, subcontractors, etc.) for which you receive information in the course of your employment at Vicon.

Our Goal: An Ethical Work Environment

We have established the Office of Ethics and Business Conduct to underscore our commitment to ethical conduct throughout our company.

The Director of Internal Audit has been designated as our Ethics Officer. The Ethics Officer reports directly to the Audit Committee of the Board of Directors, and oversees a vigorous corporate wide effort to promote a positive, ethical work environment for all employees.

Our Ethics Officer operates a confidential Ethics HelpLine at the corporate level. You are urged to use these resources to report violations of this Code or whenever you have a question or concern that cannot be readily addressed through your supervisor.

Accountability

Each of us is responsible for adherence to the standards of conduct set forth in this Code and for raising questions if we are concerned that these standards are not being met. Violations of the Code are cause for corrective action, which may result in disciplinary action up to and including discharge.

How to Contact the Audit Committee

The Audit Committee of the Vicon Board of Directors has created a process for employees to use to transmit complaints to the Committee about accounting, internal controls, or auditing matters. This includes the confidential or anonymous submission of concerns regarding questionable accounting or auditing matters. If you wish to raise a question or concern or report a violation to the Audit Committee, you should contact the Office of Ethics and Business Conduct at Corporate Headquarters. Your concern will be communicated to the Chairman of the Audit Committee.

Contact the Ethics Office

You are encouraged to contact the Office of Ethics and Business Conduct to discuss any ethics question or concern, to report a violation of the Code, or for information on how to contact your local Ethics Officer. You can reach the Office of Ethics and Business Conduct through any of the following confidential means of communication:

Call: Domestic: 631-952-4560
International: (Country Code 1) + 1 631-952-4560

Write: Office of Ethics and Business Conduct
Vicon Industries, Inc.
89 Arkay Drive
Hauppauge, NY 11788

Fax: Domestic: 631-952-4678
International: (Country Code 1) + 631-952-4678

Internet E-Mail: corporate.ethics@vicon-cctv.com

When you contact the Company's Ethics Officer or the Office of Ethics and Business Conduct at Corporate Headquarters:

- You will be treated with dignity and respect.
- Your communication will be kept confidential to the greatest extent possible.
- Your concerns will be seriously addressed and, if not resolved at the time you call, you will be informed of the outcome.

Remember, there's never a penalty for using the Ethics HelpLine in good faith. People in a position of authority can't stop you; if they try, they're subject to disciplinary action up to and including dismissal. Vicon will not tolerate retribution against employees who raise concerns to any source.

Receipt and Acknowledgment

I acknowledge that I have received my personal copy of the Vicon Code of Ethics and Business Conduct. I understand that each Vicon employee, member of the Board of Directors, agent, consultant, or contract worker is responsible for knowing and adhering to the principles and standards of the Code. I also acknowledge that the Company's Board of Directors may waive or modify any part of this Code of Ethics and Business Conduct at their discretion and at any time.

Signature

Print Name

Company

Location

_____ Date _____