

ROCKFORD CORPORATION
Audit and Finance Committee Charter

1. Organization

This charter governs the Audit and Finance Committee of Rockford's Board of Directors. The committee will consist of at least three directors appointed by the Board in consultation with the Governance and Nominating Committee. Each committee member must be independent as defined in Rockford's Corporate Governance Guidelines.

None of the members will have any relationship that, in the Board's opinion, would interfere with the member's exercise of independent judgment. In addition, all committee members will be financially literate or will become financially literate within a reasonable period of time after appointment to the committee. At least one member of the committee will have accounting or related financial management expertise as required by applicable laws and regulations.

2. Purpose

The Audit and Finance Committee will help the Board fulfill its oversight responsibility to the shareholders, potential shareholders, the investment community, and others. It is responsible on behalf of the Board to review and supervise Rockford's financial reporting process, systems of internal accounting and financial controls, preparation of financial statements, annual independent audit of financial statements, and the legal compliance and ethics programs. In so doing, the committee will maintain free and open communication between the committee, independent auditors and management.

In discharging its oversight role, the committee is empowered to investigate any matter brought to its attention. The committee will have full access to all Rockford's books, records, facilities, and personnel and the power to retain outside counsel or other independent advisors and experts for this purpose.

3. Responsibilities

3.1 *Audit and Accounting Duties.* The Audit and Finance Committee is responsible for overseeing Rockford's financial reporting process on behalf of the Board. It will report the results of its activities to the Board. Specifically, the committee's responsibilities include:

- Reviewing and assessing the adequacy of the committee's charter annually. The charter will be disclosed in the proxy statement at least once every three years.
- Recommending annually to the Board the selection, retention or termination of Rockford's independent auditors. The committee will have a clear understanding with management and the independent auditors that the independent auditors are ultimately accountable to the Board and the shareholders.

- Taking steps to assure the independence of the independent auditors, including reviewing the independent auditor's services and fees and requiring a formal written statement from the independent auditors regarding relationships between the independent auditors and Rockford.
- Reviewing Rockford's financial reporting and accounting policies and practices, and discussing the quality and appropriateness of such policies and practices with the independent auditors and management.
- Reviewing annually with the independent auditors and Rockford's financial management the scope and procedures of the audits of Rockford's financial statements.
- Reviewing the results of each annual audit with the independent auditors and management, and recommending to the Board inclusion of the financial statements in Rockford's Annual Report on Form 10-K filed with the SEC.
- Reviewing with the independent auditors and management the results of the independent auditors' review of the quarterly financial statements, including any significant accounting or disclosure issues, prior to filing Rockford's Quarterly Reports on Form 10-Q with the SEC.
- Reviewing Rockford's internal audit procedures and the coordination of such procedures with the independent auditors.
- Reviewing with management and the independent auditors the adequacy and effectiveness of Rockford's internal accounting systems and financial controls including Rockford's system to monitor and manage business risk, and legal and ethical compliance programs.
- Reviewing Rockford's policies and procedures to ensure their compliance with all applicable legal requirements and ethical standards and recommending to the Board any appropriate changes to these policies that the Committee deems appropriate.
- Adopting other flexible policies and procedures, in order to best react to changing conditions and circumstances, and to assure the directors and shareholders that Rockford's corporate accounting and reporting practices are in accordance with all requirements and are of the highest quality.

3.2 *Finance Responsibilities.* The Audit and Finance Committee is also responsible for reviewing and approving on behalf of the Board Rockford's actions, policies and strategies related to corporate finance, including the following:

- Capital structure plans and strategies and specific equity or debt financings;
- Capital expenditure plans and strategies and specific capital projects;
- Strategic and financial investment plans and strategies and specific investments;

- Proposed mergers, acquisitions, divestitures and strategic investments;
- Insurance and risk management activities;
- Cash management plans and strategies and all activities relating to cash accounts and cash investments portfolio, including the establishment and maintenance of bank, investment and brokerage accounts;
- Financial structuring and risks, including issues such as debt structuring, investment management and foreign currency risk and exposure; and
- Other transactions or financial issues that the Board or management desires the Audit and Finance Committee to review.

4. Meetings and Reports

The Audit and Finance Committee will hold regularly scheduled meetings at least four times per year. Additional meetings may occur if the committee or the Board deems them advisable. The committee will promptly report the results of the committee's activities and meetings to the Board and will maintain written minutes of its meetings to be filed in Rockford's official minute book.

5. Reporting of Concerns to the Audit and Finance Committee

Anyone (including Rockford's employees) who has a concern about Rockford's conduct, accounting, financial reporting, internal controls or auditing matters, may communicate that concern directly to the committee (through the committee chair) or to any independent director.

Communications about such concerns may be confidential or anonymous. Anyone wishing to communicate such concerns may e-mail them, submit them in writing or report them by phone to any committee members or to any other independent director. The committee will promptly review any concerns and take action to correct any legitimate issues raised by such communications.

Rockford's policies prohibit any director or employee from retaliating or taking any adverse action against anyone for raising or helping to resolve any concern raised in this process.