

ROCKFORD CORPORATION

Compensation Committee

1. Organization

This charter governs the Compensation Committee of Rockford's Board of Directors. The Compensation Committee will consist of at least two directors appointed by the Board in consultation with the Governance and Nominating Committee. Each committee member will be independent, as defined in Rockford's Corporate Governance Guidelines. No committee member will have any relationship that, in the Board's opinion, would interfere with the member's exercise of independent judgment.

2. Purpose

The Compensation Committee's purpose is to assist the Board in discharging its responsibilities relating to compensation of Rockford's executive officers and directors.

3. Responsibilities

The Compensation Committee is responsible for the compensation of Rockford's executive officers and directors. To fulfill this role, the committee's responsibilities include:

- Reviewing and approving Rockford's compensation of executive officers and directors, and other members of management as directed by the Board. In approving compensation, the committee is responsible to ensure that (a) Rockford will be able to attract and retain key executive personnel; (b) Rockford's officers are properly motivated to achieve Rockford's business objectives; and (c) the interests of Rockford's officers are aligned with the long-term interests of the shareholders;
- Reviewing and making recommendations to the Board about long-term incentive compensation plans, including stock option plans or other equity-based plans. The committee will have the authority, subject to the Board's direction, to administer equity-based and employee benefit plans and to discharge the responsibilities of the administrator under those plans. This will include making or authorizing grants in accordance with the terms of the plans. The committee will make recommendations to the Board with respect to amendments to the plans and changes in the number of shares reserved for issuance under the plans;
- Producing an annual report for Rockford's proxy statement. The report will (a) describe the criteria for compensation paid to the Chief Executive Officer; (b) explain the relationship of the CEO's compensation to Rockford's performance; (c) outline committee's executive compensation policies applicable to the "named executive officers" included in the proxy statement; and (d) otherwise comply with applicable laws and regulations;

- Reviewing and discussing management succession at least annually;
- Reviewing and approving the goals and objectives for the CEO and other executive officers as appropriate.
- Evaluating the CEO's performance in light of the CEO's goals and objectives and in the context of Rockford's current business environment and overall strategic objectives;
- Reviewing and approving management recommendations regarding aggregate salary budget and guidelines for all Rockford employees;
- Evaluating the need for, and reviewing the terms of, employment contracts or severance arrangements for the CEO and other executive officers.

4. Meetings and Reports

The Compensation Committee will hold regular meetings, generally in conjunction with the regularly scheduled meetings of the Board. Additional meetings may occur if the committee or 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.