RFM CORPORATION
COMPENSATION COMMITTEE CHARTER

COMMITTEE's ROLE

The Committee's role is to act in behalf of the Board of Directors in ensuring that the Corporation adopts human resource management strategies that are consistent with the Corporation's culture and objectives, and benchmarked with comparable companies to attract, motivate and retain its people.

MEMBERSHIP

The Committee shall consist of at least three (3) voting members of the Board, one of whom shall be an independent Director.

SCHEDULE OF MEETINGS

The Committee shall meet regularly, at least quarterly. Other meetings shall be scheduled as deemed necessary by the Chairman or as suggested by the members.

OPERATING PRINCIPLES

1. The Committee shall, to the extent possible, have contact with the other committees, with Senior Management and with other key people, to strengthen the Committee's knowledge of details that can contribute to a more effective management of the Corporation's objectives and directions on compensation.

2. The Committee shall be given the authority to engage the services of external resources, as the Committee deems necessary, to carry out its role.

3. The Committee, through the Chairman, shall report to the Board directions and actions that the Committee has taken.

4. Changes in responsibilities and directions shall be presented to the Board for approval.

DUTIES AND RESPONSIBILITIES

1. To establish a formal and transparent policy and guidelines for determining executive remuneration and for fixing the remuneration packages of corporate officers to be able to attract and retain a highly competent team.

2. To approve the remuneration package of the President and Chief Executive Officer, and to review the remuneration packages of corporate officers and managers to determine compliance with approved guidelines.

3. To recommend fair and commensurate remuneration packages of directors for the approval of the Board.

4. To direct the development of an incentive scheme that will motivate directors and corporate officers to attain the objectives of the organization.

5. To institutionalize a policy that provides that compensation and performance appraisals at all levels is consistently and equitably implemented in accordance with the organization's culture and goals.

6. To review recommendations for changes in compensation structure, benefits policies, salaries and promotions to executive levels.

7. To institutionalize a policy that ensures all directors and incoming officers provide a full disclosure, under the penalty of perjury, of all their existing business interests or shareholdings that may directly or indirectly conflict in the performance of their duties once appointed or hired.

8. To provide in the Corporation's annual reports, information and proxy statements a clear, concise and understandable disclosure of compensation of its corporate officers for the previous fiscal year and the ensuing year as required by regulatory authorities.

9. To review the existing Human Resources Development manual to strengthen provisions on conflict of interest, performance appraisals, compensation and benefits policies, recruitment and training programs, promotion and career advancement directives, succession planning, the code of conduct and compliance with all statutory requirements.

10. To exercise such powers and duties as may from time to time be delegated by the Board of Directors.