



**CHARTER OF THE COMPENSATION COMMITTEE
OF
PROFIRE ENERGY, INC.**

MEMBERSHIP

The Compensation Committee shall consist of three or more directors appointed by the Board. One member of the Committee shall be appointed by the Board as the Chairperson. The members of the Committee shall serve for such term or terms as the Board may determine or until earlier resignation or death.

Each member of the Committee shall be independent in accordance with the provisions of Rule 10C-1(b)(1) under Securities Exchange Act of 1934, as amended (the “**Exchange Act**”) and the rules of The NASDAQ Stock Market, and shall meet the additional composition requirements of The NASDAQ Stock Market, including those requirements that prohibit the receipt of certain fees.

At least two members of the Committee must qualify as “non-employee directors” for the purposes of Rule 16b-3 under the Exchange Act, and as “outside directors” for the purposes of Section 162(m) of the Internal Revenue Code, as amended.

PURPOSE

The purpose of the Compensation Committee (the “**Committee**”) is to carry out the responsibilities of the Board of Directors (the “**Board**”) of Profire Energy, Inc. (the “**Company**”), as required by law, regulation, or rule, relating to the review and recommendation of compensation of the Chief Executive Officer (the “**CEO**”) and the Company’s other executive officers (collectively, including the CEO, the “**Executive Officers**”). The Committee has overall responsibility for reviewing and evaluating all compensation plans, policies and programs of the Company as they affect the Executive Officers and providing recommendations to the Board for approval.

MEETINGS

The Committee shall meet at least two times per year and as often as necessary to carry out its responsibilities. The Chairperson shall preside at each meeting. In the event the Chairperson is not present at a meeting, the Committee members present at that meeting shall

designate one of its members as the acting chair of such meeting. The Committee shall be governed by the same rules regarding meetings (including meetings in person or by telephone or other similar communications equipment), action without meetings, notice, waiver of notice, and quorum and voting requirements as are applicable to the Board.

The Committee may invite such members of management to its meetings as it deems appropriate. However, the Committee shall meet regularly without such members present, and in all cases the CEO and any other such management shall not be present at meetings at which their compensation or performance is discussed.

AUTHORITY AND RESPONSIBILITIES

The Committee shall have the following authority and responsibilities:

To, at least annually, review and approve the proposed annual base salaries and annual incentive opportunities of the chief executive officer (“**CEO**”) and of the other Executive Officers and make recommendations on such compensation to the Board. In evaluating and determining CEO compensation, the Committee shall consider the results of the most recent stockholder advisory vote on executive compensation (“**Say on Pay Vote**”) required by Section 14A of the Exchange Act. The CEO shall not be present during any Committee deliberations or voting with respect to his or her compensation.

To review and approve at least annually the corporate goals and objectives applicable to the compensation of the CEO, evaluate at least annually the CEO’s performance in light of those goals and objectives, and recommend to the full Board the CEO’s compensation level based on this evaluation.

To make recommendations to the Board regarding the compensation of all other Executive Officers. In evaluating and making recommendations regarding executive compensation, the Committee shall consider the results of the most recent Say on Pay Vote.

To review, and make recommendations to the Board regarding any employment agreements and any severance arrangements or plans, including any benefits to be provided in connection with a change in control, for the CEO and other Executive Officers.

To review and discuss with management the Compensation Discussion and Analysis (“**CD&A**”) and the related executive compensation information required to be included in the Company’s proxy statement and annual report on Form 10-K by the rules and regulations of the Securities and Exchange Commission (the “**SEC**”), and, based on such review and discussion, determine whether or not to recommend that the CD&A be so included.

To produce the annual Compensation Committee Report for inclusion in the Company’s proxy statement in compliance with the rules and regulations promulgated by the SEC.

To monitor the Company's compliance with the requirements under the Sarbanes-Oxley Act of 2002 relating to loans to directors and officers, and with all other applicable laws affecting employee compensation and benefits applicable to Executive Officers.

To receive periodic reports on the Company's compensation programs as they affect all employees; and, to review, and make recommendations to the Board regarding, incentive compensation plans and equity-based plans.

To make regular reports to the Board.

To delegate any of its responsibilities, along with the authority to take action in relation to such responsibilities, to one or more subcommittees as the Committee may deem appropriate in its sole discretion.

To review this Charter at least annually and recommend any proposed changes to the Board for approval.

OUTSIDE ADVISORS

The Committee shall have the authority, in its sole discretion, to select, retain, terminate, and obtain the advice of any advisor or compensation consultant as necessary to assist with the execution of its duties and responsibilities as set forth in this Charter. The Committee shall set the compensation, and oversee the work, of any such advisor or compensation consultant. The Committee shall have the authority, in its sole discretion, to retain and obtain the advice and assistance of outside legal counsel and such other advisors as it deems necessary to fulfill its duties and responsibilities under this Charter. The Committee shall set the compensation, and oversee the work, of its outside legal counsel and other advisors. The Committee shall receive appropriate funding from the Company, as determined by the Committee in its capacity as a committee of the Board, for the payment of compensation to its compensation consultants, outside legal counsel and any other advisors. However, the Committee shall not be required to implement or act consistently with the advice or recommendations of its compensation consultant, legal counsel or other advisor to the compensation committee, and the authority granted in this Charter shall not affect the ability or obligation of the Committee to exercise its own judgment in fulfillment of its duties under this Charter.

In retaining or seeking advice from compensation consultants, outside counsel and other advisors (other than the Company's in-house counsel), the Committee must take into consideration the following factors: (i) the provision of other services to the Company by the person that employs the compensation consultant, legal counsel or other adviser; (ii) the amount of fees received from the Company by the person that employs the compensation consultant, legal counsel or other adviser, as a percentage of the total revenue of the person that employs the compensation consultant, legal counsel or other adviser; (iii) the policies and procedures of the person that employs the compensation consultant, legal counsel or other adviser that are designed

to prevent conflicts of interest; (iv) any business or personal relationship of the compensation consultant, legal counsel or other adviser with a member of the Committee; (v) any stock of the Company owned by the compensation consultant, legal counsel or other adviser; and (vi) any business or personal relationship of the compensation consultant, legal counsel, other adviser or the person employing the adviser with an Executive Officer of the Company. The Committee may retain, or receive advice from, any compensation advisor they prefer, including ones that are not independent, after considering the specified factors. The Committee is not required to assess the independence of any compensation consultant or other advisor that acts in a role limited to consulting on any broad-based plan that does not discriminate in scope, terms or operation in favor of Executive Officers or directors and that is generally available to all salaried employees or providing information that is not customized for the Company or that is customized based on parameters that are not developed by the consultant or advisor, and about which the consultant or advisor does not provide advice.

The Committee shall evaluate whether any compensation consultant retained or to be retained by it has any conflict of interest in accordance with Item 407(e)(3)(iv) of Regulation S-K. Any compensation consultant retained by the Committee to assist with its responsibilities relating to executive compensation shall not be retained by the Company for any compensation or other human resource matters.

PERFORMANCE EVALUATION

The Committee shall conduct an annual evaluation of the performance of its duties under this charter and shall present the results of the evaluation to the Board. The Committee shall conduct this evaluation in such manner as it deems appropriate.