

**Charter of the
Compensation Committee
of
the Board of Directors
of
Innovative Food Holdings, Inc.**

The Board of Directors of Innovative Food Holdings, Inc. (the “Corporation”; “Company” refers to the Corporation and its consolidated subsidiaries) has adopted this charter for its Compensation Committee (the “Committee”). This charter is intended to supplement the provisions in the Corporation’s By-laws pertaining to the Committee.

Composition

Number and Qualifications. The Committee shall have at least two members. Each Director who serves on the Committee must be affirmatively determined by the Corporation’s Board of Directors to meet the requirements established by the Corporation’s By-laws, as well as the senior market upon which the Corporation’s securities are then traded, if any, to be considered an “independent” member of the Board. In addition, the Committee members shall also satisfy the relevant requirements established pursuant to regulations under Section 16(b) of the Securities and Exchange Act of 1934 and Section 162(m) of the Internal Revenue Code of 1986.

Appointment. The Board of Directors shall elect the chairman and other members of the Committee on an annual basis, generally at the first meeting of the Board of Directors following the Corporation’s annual stockholders meeting.

Removal. The Board of Directors may, pursuant to the By-laws, remove a member of the Committee, or replace the chairman, provided that the Board must, at all times, assure that the Committee will have a chairman and sufficient members to satisfy the requirements set forth above relating to the number and qualifications of Committee members.

Purpose and Responsibilities

Consistent with the Corporation’s By-laws, the Committee shall have the following purpose and responsibilities:

Compensation of Executives and Other Employees and Non-Employee Directors

- **General Policy & Annual Review.** The Committee shall be responsible for setting the Corporation’s general policy, in consultation with management, regarding compensation and for reviewing, no less than annually, the compensation provided to the Corporation’s Chief Executive Officer (“CEO”), President and such other senior executives and other employees

of the Company as the Committee or the Board of Directors may, from time to time, determine should be subject to the Committee's direct purview. The Committee shall also be responsible for establishing and reviewing the compensation and benefits given to the Corporation's non-employee directors.

- **Responsibility for Determining Compensation.** The Committee shall be responsible for determining the compensation (including salary, bonus, equity-based grants, and any other long-term cash or equity-based compensation) for the Corporation's CEO, President and for other senior executives or employees as are subject to the Committee's direct purview (subject to the terms of any existing employment or other existing compensation agreements between the Corporation and any such executive) and the Corporation's non-employee directors.
- **Process for Determining Compensation.** In determining compensation for the CEO, President and such other senior executives and employees, the Committee shall consider, among other factors: the Company's overall performance, shareholder return, the achievement of specific performance objectives that the Committee shall establish on an annual basis, compensation previously provided to such executives and other employees, and the value of compensation provided to individuals in similar positions at comparable companies. The Committee may also consult with other Directors and management as it sees fit.
- **Compensation Disclosure.** The Committee may exercise oversight of the Corporation's disclosures regarding executive and employee and non-employee director compensation, including approving a report on executive compensation to be included in the Corporation's annual proxy statement.
- **Benefits.** The Committee shall review at least annually the benefits provided to the CEO, President and such other senior executives and employees (other than salary, bonus, equity-based grants, and any other long-term cash or equity-based compensation considered by the Committee in determining compensation to such officers, as provided above).

Other Compensation and Benefit Matters

- **General Oversight.** The Committee shall generally oversee the Company's overall compensation structure and benefit plans. The Committee shall also, as it deems appropriate, review and recommend compensation and benefit plans for Board approval.
- **Incentive Compensation.** The Committee shall administer the Corporation's executive bonus and equity-based incentive plans to the extent delegated by the Board or as provided in such plans.
- **Regulatory Oversight.** The Committee shall have the authority to oversee the Company's response to the enactment of any Federal or state statutes, laws, rules, regulations or other governmental or administrative acts affecting compensation.

Committee Operations

Meeting Schedule. The Committee shall approve its schedule of meetings and shall meet at least one time per fiscal year. The Committee may also hold additional meetings at the direction of the Committee Chairman or at the request of any other Committee member. The Committee may meet in person or by telephone conference call, and may act by unanimous written consent.

Attendance at Meetings. Members of management shall be invited to attend the meeting at the discretion of the Committee Chairman. All outside Directors who are not Committee members may, at their discretion, attend Committee meetings, provided that: (i) the Committee shall meet without such other Directors during executive session, (ii) the Committee Chairman may ask non-Committee members to leave the meeting at any time, and (iii) such non-Committee members may not vote on any actions considered by the Committee.

Executive Sessions. The Committee shall hold an executive session at each regularly scheduled meeting. During at least some portion of each executive session, no non-Committee member or member of management shall be present.

Voting. A majority of the Committee members shall constitute a quorum. Each Committee member shall have one vote and actions at meetings may be approved by a majority of the members present.

Delegation. Except as otherwise prohibited, the Committee may delegate its responsibilities to subcommittees or individuals.

Committee Resources

To assist the Committee in fulfilling its responsibilities, (i) each Committee member shall have full access to any member of management and (ii) the Committee in its sole discretion, may retain independent consultants, counsel, and other advisors and is directly responsible for the appointment, compensation and oversight of such persons. The Committee will have sole authority and responsibility for hiring, approving the fees and retention terms for, and terminating the services of, such advisors. The Corporation will bear the expense of such advisors, as determined by the Compensation Committee. The Committee is not obligated to implement or act consistently with the advice or recommendations of such advisors and each Committee member shall at all times exercise its own independent judgment in fulfillment of its duties as a member of the Committee.

Independent Assessment

When considering engaging a compensation adviser the compensation committee must first consider, at a minimum, the following six specified independence factors:

- The provision of other services to the Corporation by the compensation adviser's employer;

- The amount of fees received from the Corporation by the compensation adviser's employer, as a percentage of the total revenue of the compensation adviser's employer;
- The policies and procedures of the compensation adviser's employer that are designed to prevent conflicts of interest;
- Any business or personal relationship of the compensation adviser with a member of the Compensation Committee;
- Any stock of the Corporation owned by the compensation adviser; and
- Any business or personal relationship between the executive officers of the Corporation and the compensation adviser or the compensation adviser's employer.

This provision does not require a compensation consultant, legal counsel or other compensation adviser to be independent; rather, the Compensation Committee must only consider the six independence factors before selecting, or receiving advice from, a compensation adviser.

The above notwithstanding, no independence assessment is required with respect to (i) in-house counsel or advisers, (ii) a compensation adviser who is only 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 (iii) a compensation adviser who provides information that is not customized for a particular company or that is customized based on parameters that are not developed by the adviser, and about which the adviser does not provide advice.