

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

**FORM 8-K**

**Current Report**  
**Pursuant to Section 13 or 15(d) of the**  
**Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported) February 23<sup>rd</sup>, 2006

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**RELM Wireless Corporation**

(Exact name of registrant as specified in its charter)

**Nevada**

(State or other jurisdiction of incorporation)

**000-07336**

(Commission File Number)

**59-34862971**

(IRS Employer Identification No.)

7100 Technology Drive, West Melbourne, FL  
(Address of principal executive offices)

32904  
(Zip Code)

Registrant's telephone number, including area code **(321) 984-1414**

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**N/A**

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

**Item 81.01. Entry Into a Material Definitive Agreement~~Other Events.~~**

On February 23, 2006, the Compensation Committee (the "Compensation Committee") of the Board of Directors of RELM Wireless Corporation (the "Company") considered and approved the following actions concerning the compensation of the Company's named executive officers (determined for the year 2005 in accordance with Item 402 of Regulation S-K), David P. Storey, President and Chief Executive Officer, William P. Kelly, Executive Vice President and Chief Financial Officer, and Harold B. Cook, Vice President of Operations:

**2005 Cash Bonuses.** The Committee approved the payment of cash bonuses to Messrs. Storey, Kelly and Cook of \$260,000, \$155,500 and \$106,000, respectively, based upon the Company's performance for the year 2005 as measured against specified levels of sales and pre-tax income established by the Committee at the beginning of the year. The Committee reviewed the Company's performance against these pre-established levels, along with individual management performance, and used this information to determine each of the named executive officer's bonus.

**2006 Executive Officer Compensation.** The Committee set base salaries effective January 1, 2006 and established an incentive bonus plan for the named executive officers for the year 2006. Mr. Storey's base salary was increased to \$268,000 from \$260,000, Mr. Kelly's base salary was increased to \$160,000 from \$155,500 and Mr. Cook's base salary was increased to \$125,000 from \$106,000. Under the incentive bonus plan, each of the named executive officers is eligible to receive a cash bonus of up to 100% of his base salary for 2006 depending upon the Company's achievement in 2006 of specified levels of sales and pre-tax income. Cash bonuses for the named executive officers will be weighted as follows: 25% for sales and 75% for pre-tax income. Therefore, to determine each named executive officer's annual bonus for 2006, 25% of the named executive officer's base salary will be multiplied by the percentage allocated to the specified level of sales achieved, if any, and 75% of the named executive officer's base salary will be multiplied by the percentage allocated to the specified level of pre-tax income achieved, if any.

The Committee also approved the grant of 25,000 stock options to each named executive officer under the Company's 1997 Stock Option Plan. The stock options are exercisable at a price of \$11.40 per share (the closing price on the American Stock Exchange on February 23, 2006) and vest in whole or in part on the first anniversary of the date of grant depending upon the Company's achievement in 2006 of the same specified levels of sales and pre-tax income as are applicable to the payment of cash bonuses described above. The vesting of the options are weighted in the same manner as the payment of cash bonuses. Therefore, to determine the number of options that will vest to a named executive officer, 25% of his stock options (*i.e.*, 6,250) will be multiplied by the percentage allocated to the specified level of sales achieved, if any, and 75% of his stock options (*i.e.*, 18,750) will be multiplied by the percentage allocated to the specified level of pre-tax income achieved, if any. Any options that do not vest to a named executive officer because of the Company's failure to achieve the specified levels of sales and pre-tax income will automatically be forfeited and canceled.

The Company's 1997 Stock Option Plan was previously filed as Exhibit 4.4 to the Company's Post-Effective Amendment No. 1 to Form S-8 (Registration No. 333-112446). The 1997 Stock Option Plan's form of stock option agreement is attached hereto as Exhibit 10.1 and incorporated herein by reference.

**Item 9.01 Financial Statements and Exhibits.**

(c) Exhibits.

Exhibit Number	Description
10.1	Form of Stock Option Agreement for 1997 Stock Option Plan

## **SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

RELM WIRELESS CORPORATION  
(Registrant)

By: \_\_\_\_\_  
William P. Kelly  
Executive Vice President and  
Chief Financial Officer

| Date: February 27<sup>th</sup>, 2006

## Exhibit Index

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RELM Receives Approximately \$1.3 Million in Orders For APCO Project 25 Digital Radios

WEST MELBOURNE, FL, June 21, 2005 - RELM Wireless Corporation (OTC Bulletin Board: RELM - News) today announced it received orders totaling approximately \$1.3 million from several federal government agencies. These orders are for BK Radio brand digital radio products compliant with the APCO Project 25 (P25) technical standard. Deliveries are scheduled for the second quarter 2005.

The P25 public safety technical standard is driving accelerated growth for land mobile radio (LMR) equipment as government and public safety radio users nationwide increasingly migrate to compliant digital radio equipment, according to RELM President and CEO David Storey. A primary requirement of P25 is interoperability among compliant equipment, regardless of the manufacturer, which is key for public safety and homeland security applications. RELM is one of only a few manufacturers whose products presently meet the demanding P25 specifications.

"BK Radio P25 digital radio products offer exceptional performance in critical areas such as battery life, audio clarity and rugged durability, all at a lower cost than comparable equipment," Storey observed. "Faced with limited funding, an increasing number of government and public safety users are embracing the extraordinary value of our P25 solution. We are looking forward to building our momentum with additional new P25 products and capabilities in the coming months," Storey concluded.

For nearly six decades, RELM Wireless Corp. has manufactured and marketed high-specification two-way communications equipment for use by public safety professionals and government agencies, as well as radios for use in a wide range of commercial and industrial applications, including disaster recovery. Revolutionary advances include new low-cost digital portable two-way radios compliant with APCO Project 25 technical specifications. Products are manufactured and distributed worldwide under BK Radio, RELM/BK and RELM. The company maintains its headquarters in West Melbourne, Florida and can be contacted through its web site at <http://www.relm.com> or directly at 1-800-821-2000.

This press release contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act Of 1995. These forward-looking statements concern the Company's operations, economic performance and financial condition and are based largely on the Company's beliefs and expectations. These statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Company, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors and risks include, among others, the following: reliance on overseas manufacturers; heavy reliance on sales to the U.S. Government; federal, state and local budget deficits and spending limitations; limitations in available radio spectrum for use by land mobile radios; general economic and business conditions; changes in customer preferences; competition; changes in technology; changes in business strategy; the debt and inventory levels of the Company; quality of management, business abilities and judgment of the Company's personnel; and the availability, terms and deployment of capital. Certain of these factors and risks, as well as other risks and uncertainties are stated in more detail in the Company's Annual Report on Form 10-K for the year ended December 31, 2004 and in the Company's subsequent filings with the SEC. These forward-looking statements are made as of the date of this press release, and the Company assumes no obligation to update the forward-looking statements or to update the reasons why actual results could differ from those projected in the forward-looking statements.

Source: RELM Wireless Corporation

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