

## **REFINERY SCIENCE CORP.**

### **CHARTER OF THE COMPENSATION COMMITTEE OF THE BOARD OF DIRECTORS**

(adopted and effective as of April \_\_\_\_, 2007)

#### **Purpose**

The purpose of the Compensation Committee (the “Committee”) of the board of directors (the “Board”) of Refinery Science Corp., a Texas corporation (the “Company”), is to assist the Board in discharging its responsibilities to the Company’s shareholders, potential shareholders and the investment community with respect to the Company’s compensation programs and compensation of the Company’s executive officers and such other nonexecutive employees, consultants and directors of the Company as the Board shall deem appropriate, including performance-based and long-term compensation. The Committee has overall responsibility for approving and evaluating executive compensation and the policies and programs of the Company with respect thereto.

The Committee is also responsible for producing an annual report on executive compensation for inclusion in the Company’s proxy statement.

#### **Membership**

The Committee shall be comprised of at least two members of the Board. Each member of the Committee shall be appointed by and serve at the pleasure of the Board. The Board shall have the power at any time to change the membership of and fill vacancies in the Committee, subject to the satisfaction of such new members of the membership requirements.

Each member of the Committee shall satisfy the applicable independence and other requirements of the Nasdaq Stock Market and other regulatory requirements, as they may be in effect from time to time. In addition, each member of the Committee shall meet the definition of “non-employee director” under Rule 16b-3 promulgated under the Securities Exchange Act of 1934 and the definition of “outside director” for the purposes of Rule 162(m) of the Internal Revenue Code of 1986.

#### **Responsibilities**

The Committee’s primary responsibilities include:

(i) Establishing and reviewing the overall compensation philosophy of the Company and taking any and all actions that may be taken by the Board with respect to the compensation of executive officers;

(ii) Establishing and reviewing at least annually the general compensation policies applicable to the Company's Chief Executive Officer ("CEO") and other executive officers, including the corporate and individual goals and objectives relevant to the compensation of the Company's executive officers, the relationship of the Company's performance to executive compensation generally and the CEO's compensation in particular, and the bases for the CEO's compensation. The Committee's power to establish and review the compensation policies applicable to the CEO and other executive officers shall be subject to any modification or veto made by a majority of the independent directors of the Company in its discretion;

(iii) Evaluating the performance of the Company's CEO and other executive officers in light of such goals and objectives and, based on such evaluation, reviewing and approving the compensation (including salaries, bonuses, stock option grants, benefits, expense accounts, executive incentive plans, perquisites and other direct or indirect benefits) to be paid to the Company's CEO and other executive officers. In determining executive compensation, the Committee shall take into account the performance of the executive officer and the Company, the compensation paid to similarly situated executives at comparable companies, the compensation paid to executive officers in past years and any other factors it deems appropriate;

(iv) Reviewing and making recommendations regarding the compensation of nonexecutive employees, directors and consultants of the Company, if and as the Company's CEO, the Board or the Committee deems appropriate;

(v) Reviewing and advising the Board concerning the performance of those other nonexecutive employees directors and consultants whose compensation is within the review jurisdiction of the Committee;

(vi) Reviewing and advising the Board concerning both regional and industry-wide compensation practices and trends in order to assess the adequacy and competitiveness of the Company's executive compensation programs among comparable companies in the Company's industry;

(vii) Supervising the administration of the Company's stock option plan and other stock- or cash-based compensation and incentive plans that may be adopted by the Company from time to time;

(viii) Determining the terms of, approving and making grants and awards of stock, stock options and other equity securities to the Company's executive officers, directors, and other employees and persons who are to receive grants and awards under the Company's stock option plan and other incentive programs, if and as the Committee deems advisable, and approving, ratifying and administering any amendments to such grants and awards;

(ix) Reviewing and making recommendations to the Board with respect to the Company's incentive compensation plans and equity-based plans;

(x) Reviewing and approving, for the Company's executive officers, (A) any employment, severance, retirement and change of control agreements, arrangements or provisions and (B) any special or supplemental benefits, in each case if and to the extent the Committee deems appropriate;

(xi) Reviewing and approving such other compensation-related matters as may be deemed appropriate by the Company's CEO, the Board or the Committee;

(xii) Preparing and signing a compensation committee report for inclusion in the Company's proxy statement for its annual meeting of stockholders, in accordance with the rules and regulations of the Securities and Exchange Commission and other applicable regulatory requirements;

(xiii) Reviewing and assessing the adequacy of this charter from time to time and recommending any proposed changes to the Board for approval; and

(xiv) Selecting, retaining and replacing compensation and benefits consultants and other outside consultants to provide independent advice to the Committee, as the Committee may deem necessary or appropriate.

In addition to the responsibilities listed above, the Committee shall undertake such other duties as the Board may delegate to it related to the purposes of the Committee, and shall perform such other activities as are consistent with this charter, the bylaws of the Company and applicable law.

### **Delegation to Subcommittees**

In fulfilling its responsibilities, the Committee shall be entitled to delegate any of its responsibilities to a subcommittee of the Committee. Any such subcommittee shall report regularly to the Committee on any actions taken by it on behalf of the Committee.

### **Meetings; Procedure**

The Committee shall meet as often as the Committee may deem necessary or appropriate in its judgment, either in person or telephonically.

A majority of the members of the Committee shall constitute a quorum. No action of the Committee shall be valid unless taken pursuant to a resolution adopted and approved by at least two members of the Committee. The Committee may act without a meeting by the unanimous written consent of its members.

As part of its review and establishment of the performance criteria and compensation of the Company's executive officers and other persons, the Committee shall meet at least annually with the Company's CEO and such other corporate officers as it may deem appropriate, including but not limited to the Company's principal human resources executive.

The Committee may invite to its meetings any Company director or officer or other person (but such invited persons may not vote), and may exclude from its meetings any person, it deems appropriate in order to carry out its responsibilities. No officer or employee of the Company shall be present during any voting or deliberations of the Committee concerning his or her compensation.

Except as expressly provided in this charter, the Bylaws or corporate governance principles of the Company, the Committee shall fix its own rules of procedure.

### **Reports**

Minutes of all meetings, including telephone meetings, and copies of all consents in lieu of meeting shall be maintained and furnished to members of the Committee, the Board and the Secretary of the Company. The Committee shall report to the full Board with respect to its meetings and shall periodically report to the Board with respect to significant results of its activities.

### **Use of Data / Compensation Studies**

The Committee may utilize any relevant data, including internal and external compensation studies and surveys, that it deems appropriate to form the basis for its compensation determinations and policies.

### **Outside Advisers**

The Committee shall have the authority to select, retain and terminate any compensation consultant to be used to advise the Company on compensation practices and trends, and approve such consultant's fees and other terms of engagement. The Company shall provide appropriate funding, as determined by the Committee, for the compensation of any such consultants.