



AEDIS ENERGY INC.

Compensation Committee Charter



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STATEMENT OF PURPOSE

The Compensation Committee (the “Committee”) is a standing committee of the Board of Directors (the “Board”) of Aedis Energy Inc. (the “Company”). The purposes of the Committee are to discharge the responsibility of the Board relating to compensation of the Company’s executive officers, including its Chief Executive Officer (the “Chief Executive Officer”), and to recommend to the full Board the compensation of the Company’s non-employee directors. The Committee shall also review with the Company’s management the compensation discussion and analysis prepared for inclusion in the Company’s annual proxy statement or Annual Report on Form 10-K (the “CD&A”), and shall prepare a report of the Committee for inclusion in the Company’s annual proxy statement or Annual Report on Form 10-K. In addition, the Committee shall assist the Board in discharging the Board’s responsibility for settlor functions relating to the Company’s compensation and benefits programs generally.

1. ORGANIZATION

1.1 Charter

At least annually, this charter shall be reviewed and reassessed by the Committee and any proposed changes shall be submitted to the full Board for approval.

1.2 Members

The Committee shall consist of a minimum of two Board members. The members of the Committee shall be appointed by the full Board upon the recommendation of the Nominating and Governance Committee. Each Board member appointed to serve on the Committee shall meet the independence requirements of applicable law and the listing standards of the NASDAQ stock market or any Exchange on which the Company’s stock may be listed, as well as the requirements of an “outside director” for purposes of Section 162(m) of the Internal Revenue Code of 1986, as amended, and the requirements of a “non-employee director” for purposes of Section 16 of the Securities Exchange Act of 1934, as amended. Committee members may be removed from the Committee, with or without cause, by action of the majority of the members of the Board other than the member whose removal from the Committee is being acted upon. The Board shall also designate a Committee Chairperson.

1.3 Meetings

In order to discharge its responsibilities, the Committee shall each year establish a schedule of meetings; additional meetings may be scheduled as required.

1.4 Quorum; Action by Committee

A quorum at any Committee meeting shall be a majority of the members of the Committee. All determinations of the Committee shall be made by a majority of the members present at a meeting duly called and held at which a quorum was present, except as specifically provided herein (or where the Committee consists of only two members, by unanimous vote). Any decision or determination of the Committee reduced to writing and signed by all of the members of the Committee shall be fully as effective as if it had been made at a meeting duly called and held at which a quorum was present.

1.5 Agenda, Minutes and Reports

The Chairperson of the Committee shall be responsible for establishing the agendas for meetings of the Committee. An agenda, together with materials relating to the subject matter of each meeting, shall be sent to members of the Committee prior to each meeting. Minutes for all meetings of the Committee shall be prepared to document the Committee’s discharge of its responsibilities. The minutes shall be circulated in draft form to all Committee members to ensure an accurate final record, shall be approved at a

subsequent meeting of the Committee and shall be made available to the full Board. The Committee shall make regular reports to the Board.

2. RESPONSIBILITIES

The following shall be the principal responsibilities of the Compensation Committee:

2.1 Compensation and Evaluation of CEO

The Committee shall review and approve periodically, but no less frequently than annually, the Company's goals and objectives relevant to compensation of the Chief Executive Officer (including base and incentive compensation and perquisites). The Committee shall evaluate annually the performance of the Chief Executive Officer in light of those goals and objectives. The Committee shall have the sole authority to set the compensation of the Chief Executive Officer (including base salary, incentive compensation and equity-based awards) and shall determine and approve the compensation level of the Chief Executive Officer based on the Committee's annual evaluation of his or her performance.

2.2 Compensation of Other Executive Officers

The Committee shall have the sole authority to set the compensation of each executive officer (including base salary, incentive compensation and equity-based awards) and shall determine and approve the compensation level of the executive officers based on the Chief Executive Officer's annual evaluation of their performance and recommendations of their compensation level.

2.3 Incentive Compensation

In determining incentive compensation for the Chief Executive Officer and approving incentive compensation for other executive officers of the Company, the Committee shall consider, among other factors it deems necessary or appropriate from time to time, the Company's performance and relative shareholder return (or other criteria) during such periods as the Committee may deem appropriate, the value of similar incentive awards to persons holding comparable positions at comparable companies and the awards made in prior years. The Committee shall review and make recommendations to the Board with respect to the establishment and terms of all new incentive-compensation and equity-based plans, which shall be subject to submission to shareholders where appropriate.

2.4 Employment Agreements and Post-Service Arrangements

The Committee shall review and approve the terms of any written employment agreements proposed to be entered into between the Company and any executive officer. The Committee shall also review and approve any post-service compensation and benefits proposed to be provided to any executive officer (except for the proposed post-service terms of any award granted under a plan or arrangement expressly administered by the full Board rather than the Committee, in which case the Committee shall review and make recommendations regarding such post-service terms to the full Board). In considering any such post-service compensation or benefits, the Committee shall consider the reasonableness of the proposed arrangement in light of practices at comparable companies, and any benefits received by the Company in connection with such arrangements.

2.5 Evaluation of Compensation Program

The Committee shall review on a periodic basis the operation of the Company's overall compensation program to evaluate its coordination and execution and shall recommend to the Board steps to modify compensation programs that provide benefits or payments that are not reasonably related or are disproportionate to the benefits received by the Company.

2.6 Perquisite Policies for Executive Officers

The Committee shall establish and review periodically policies with respect to perquisites to be offered to the Company's executive officers.

2.7 Director Compensation and Perquisites

The Committee shall review, no less frequently than every other year, the compensation of non-employee Board members and members of the Committee and other committees of the Board, including annual retainer, meeting fees, awards under incentive and equity compensation plans, perquisites, and will propose to the full Board changes in Board or Committee compensation as deemed necessary or appropriate by the Committee. In considering the compensation and perquisites for Board and committee members, the Committee may take into consideration the relative responsibilities and time commitments of Board members and members of the various committees. Members of the Board who are Company employees shall not be compensated for their services as Board members.

2.8 Stock Ownership Policy

The Committee shall consider the adoption of stock ownership guidelines applicable to Board members and management of the Company, shall review annually any such guidelines, and shall recommend to the full Board the adoption or revision of such guidelines as the Committee determines to be appropriate from time to time.

2.9 Executive Officer Promotions

Management shall present any proposed promotions or new hires at the executive officer level (including promotions of existing executive officers or promotions of non-officer employees to an executive officer position) to the Committee, which shall have the authority to consider and approve any such proposed promotions or new hires.

2.10 Fiduciary Matters

Except where the Committee otherwise expressly determines or applicable law otherwise expressly requires, the Committee shall not act or serve as a fiduciary with respect to any benefit plans or programs under the Employee Retirement Income Security Act of 1974, as amended, or any other applicable law.

2.11 Other Compensation and Benefit Programs

The Committee shall from time-to-time review and make recommendations to the Board with respect to the Board's settlor activities relating to the Company's compensation and benefits programs generally, including retirement and welfare plans.

2.12 Committee Performance Evaluation

The Committee shall evaluate its performance on an annual basis and develop criteria for such evaluation.

2.13 Outside Advisors and Counsel

The Committee shall have the authority to retain such compensation consultants, benefit consultants, outside counsel and other advisors as the Committee may deem appropriate in its sole discretion and shall have sole authority to approve related fees and retention terms. The cost of any such advisors retained by the Committee shall be borne by the Company.

2.14 Access to Records, Consultants and Others

In discharging its responsibilities, the Committee shall have full access to any relevant records of the Company and may also request that any officer or other employee of the Company, including the Company's senior compensation or human resources executives, the Company's outside counsel or any other person, meet with any members of, or consultants, counsel or other advisors to, the Committee.

2.15 CD&A and Annual Compensation Committee Report

The Committee shall review and discuss with the Company's management the CD&A prepared for inclusion in the Company's annual proxy statement or Annual Report on Form 10-K each year, and based on such review and discussion shall recommend to the full Board that the CD&A be filed with such report in the form approved by the Committee. The Committee shall also produce an annual report for inclusion in the Company's annual proxy statement or Annual Report on Form 10-K in accordance with applicable rules and regulations.

2.16 Delegation

When permitted by applicable legal and regulatory requirements, the Committee may delegate any of its responsibilities to a subcommittee comprised of one or more members of the Committee.