

KREIDO BIOFUELS, INC.
COMPENSATION COMMITTEE CHARTER

Purpose

The Compensation Committee (the “*Committee*”) is appointed by the Board of Directors (the “*Board*”) to supervise and review the affairs of the Company as they relate to the compensation and benefits of executive officers of the Company and to thereby discharge the Board’s responsibilities relating to compensation of the Company’s executive officers.

Composition

The Committee shall be comprised of at least one (1) member of the Board, each of whom must be determined by the Board to be “independent”; that is, he or she (1) is a “non-employee director” for purposes of Rule 16b-3 under the Securities Exchange Act of 1934, as amended, and (2) satisfies the requirements of an “outside director” for purposes of Section 162(m) of the Internal Revenue Code. Each member of the Committee should possess integrity, credibility and good judgment.

Organization and Operation

The members of the Committee shall be appointed annually by a majority vote of the entire Board, and each shall serve until his or her successor is duly elected and qualified or until such member’s earlier resignation or removal. The members of the Committee may be removed, with or without cause, by a majority vote of the Board.

Unless a Committee Chair is elected by the Board, the members of the Committee shall designate a Chair by majority vote. The Chair shall preside at all regular sessions of the Committee and set the agenda for each Committee meeting. The Chairman of the Board or the Chair of the Committee may call a meeting of the Committee. The Committee shall make and retain complete and accurate minutes of its meetings.

Formal action to be taken by the Committee shall be by unanimous written consent or by the affirmative vote of a majority of the Committee members present (in person or by conference telephone) at a meeting at which a quorum is present. A quorum shall consist of at least one-half of the members of the Committee.

In fulfilling its responsibilities, the Committee shall, to the extent permitted by law, be entitled to delegate any or all of its responsibilities to one or more subcommittees of the Committee.

Meetings

The Committee shall hold meetings as deemed necessary or desirable by its members. The Committee should meet at least annually with the Company’s Chief Executive Officer and such other senior executives as the Committee deems appropriate. However, the Committee should meet periodically in executive session without the presence of management.

Authority and Responsibilities

- The Committee shall periodically review and advise the Board concerning the Company's overall compensation philosophy, policies and plans, including a review of both regional and industry compensation practices and trends.
- The Committee shall review and approve corporate and personal goals and objectives relevant to the compensation of the Chief Executive Officer, evaluate the performance of the Chief Executive Officer in light of those goals and objectives, and determine and approve the level of the Chief Executive Officer's compensation based on this evaluation. In determining the long-term incentive component of the Chief Executive Officer's compensation, the Committee should consider the Company's performance and relative shareholder return, the value of similar incentive awards to chief executive officers at comparable companies, and the awards given to the Chief Executive Officer in past years.
- The Committee shall review and approve corporate and personal goals and objectives relevant to the compensation of non-CEO executive officers and review and make recommendations to the Board regarding (a) non-CEO executive compensation (including but not limited to salary, bonus, incentive compensation, equity awards, benefits and perquisites), (b) incentive-compensation plans, and (c) equity-based plans.
- The Committee shall administer the Company's incentive compensation and equity compensation plans, including the grant of options and other awards thereunder
- The Committee shall review and discuss with management the disclosures in the Company's "Compensation Discussion and Analysis" and other disclosures regarding executive compensation in reports and statements filed by the Company with the Securities and Exchange Commission and annually prepare a "compensation committee report" as required by the rules of the Securities and Exchange Commission to be included in the Company's annual proxy statement or annual report on Form 10-KSB.
- The Committee, in discharging its oversight role, is empowered to study or investigate any matter of interest or concern that the Committee deems appropriate, and shall have the sole authority to retain and terminate any compensation consultant to be used to assist in the performance of the Committee's duties, and shall have sole authority to approve the consultant's fees and other retention terms. The Committee shall also have authority to obtain advice and assistance from internal or external legal, accounting or other advisors.
- The Committee shall review and reassess the adequacy of this Charter at least once each year, and shall recommend any proposed changes to the Board of Directors for approval.

- The Committee shall review its performance at least once each year.
- The Committee shall regularly report on its activities to the Board.