

**BLOCKFUEL ENERGY INC.**

777 Legacy Trail, Ponca City, OK 74604

**COMPENSATION COMMITTEE CHARTER**

*Role of the Compensation Committee in executive compensation, equity plans and related disclosures*

## 1. Establishment and Purpose

The Board of Directors (the "Board") of BlockFuel Energy Inc. (the "Company") has established the Compensation Committee (the "Committee") with the authority, responsibilities and duties described in this Compensation Committee Charter (this "Charter").

The purpose of the Committee is to assist the Board in fulfilling its oversight responsibilities relating to executive compensation, director compensation, equity and incentive compensation plans, compensation-related risk, compensation recovery policies and related public disclosures. The Committee shall operate in a manner consistent with applicable law, the rules and regulations of the Securities and Exchange Commission (the "SEC"), and the listing standards of The Nasdaq Stock Market LLC ("Nasdaq").

## 2. Membership

The Committee shall consist of at least two members of the Board. Committee members shall be appointed by the Board and may be removed by the Board at any time, with or without cause, subject to applicable law and the Company's governing documents. The Board shall designate one member of the Committee as Chair.

Each Committee member shall satisfy the independence requirements of Nasdaq Rule 5605(a)(2), the additional compensation committee independence requirements under Nasdaq Rule 5605(d), and any other independence, qualification or eligibility requirements applicable to compensation committee members, subject to any available transition, phase-in, cure period or exemption.

In determining whether a director is eligible to serve on the Committee, the Board shall consider all factors specifically relevant to determining whether the director has a relationship with the Company that is material to the director's ability to be independent from management in connection with Committee duties. These factors include, among others, the source of compensation of the director and whether the director is affiliated with the Company, a subsidiary of the Company or an affiliate of a subsidiary of the Company.

Committee members should also qualify as "non-employee directors" for purposes of Rule 16b-3 under the Securities Exchange Act of 1934, as amended, to the extent required or desirable for the administration of equity compensation plans.

## 3. Meetings and Procedures

The Committee shall meet as often as it determines necessary or appropriate, and at least twice each year. Meetings may be called by the Chair of the Committee, the Chair of the Board, the Lead Independent Director (if any), the Chief Executive Officer, the Corporate Secretary or any two Committee members.

The Chair, in consultation with appropriate members of management and advisers, will establish meeting agendas. The Committee may invite members of management, employees, advisers or other persons to attend meetings and provide information, except that the Chief Executive Officer shall not be present during voting or deliberations concerning the Chief Executive Officer's own compensation.

A majority of Committee members shall constitute a quorum unless otherwise provided in the Company's bylaws. The Committee may act by majority vote of members present at a meeting at which a quorum exists or by unanimous written consent to the extent permitted by applicable law and the Company's governing documents. The Committee shall keep minutes of its meetings and report regularly to the Board.

The Committee may meet in executive session without management present whenever it determines appropriate.

## 4. Authority and Advisers

The Committee has the authority to perform any act that it considers necessary or appropriate to carry out its responsibilities under this Charter, subject to applicable law and the Company's governing documents.

The Committee may, in its sole discretion, retain or obtain the advice of compensation consultants, independent legal counsel and other advisers. The Committee is directly responsible for the appointment, compensation and oversight of the work of any adviser retained by the Committee. The Company shall provide

appropriate funding, as determined by the Committee, for payment of reasonable compensation to any such adviser.

Before selecting or receiving advice from a compensation consultant, legal counsel or other adviser, other than in-house legal counsel or advisers whose role is limited to activities not requiring an independence assessment under applicable Nasdaq rules, the Committee shall consider the independence factors required by Nasdaq and SEC rules, including:

- the provision of other services to the Company by the adviser or the adviser's employer;
- the amount of fees received from the Company by the adviser's employer as a percentage of that employer's total revenue;
- the policies and procedures of the adviser's employer that are designed to prevent conflicts of interest;
- any business or personal relationship of the adviser with a Committee member;
- any Company stock owned by the adviser; and
- any business or personal relationship of the adviser or the adviser's employer with an executive officer of the Company.

The Committee is not required to follow the advice or recommendations of any adviser and shall exercise its own judgment in fulfilling its duties.

## 5. Duties and Responsibilities

The Committee shall have the duties and responsibilities set out below, together with any additional duties delegated to it by the Board or required by applicable law, SEC rules or Nasdaq listing standards.

### 5.1 Compensation Philosophy and Objectives

- Review and approve, or recommend to the Board for approval, the Company's executive compensation philosophy and objectives.
- Seek to align compensation with the Company's business strategy, risk profile, long-term stockholder value creation, operating performance, capital discipline, safety, compliance and retention needs.
- Review competitive market data and peer group information as the Committee considers appropriate for the Company's industry, size, stage of development, geographic footprint and talent market.

### 5.2 Chief Executive Officer Compensation

- Annually review and approve corporate goals and objectives relevant to the compensation of the Chief Executive Officer.
- Evaluate the Chief Executive Officer's performance in light of those goals and objectives.
- Determine and approve, or recommend to the independent directors or Board for approval, the Chief Executive Officer's compensation based on that evaluation and such other factors as the Committee considers appropriate.
- Ensure that the Chief Executive Officer is not present during voting or deliberations on the Chief Executive Officer's own compensation.

### 5.3 Other Executive Officer Compensation

- Review and approve, or recommend to the Board for approval, compensation for the Company's other executive officers, including base salary, annual incentives, long-term incentives, equity awards, perquisites, benefits, severance and change-in-control arrangements.
- Consider the recommendations of the Chief Executive Officer with respect to compensation of other executive officers, while retaining independent judgment and authority.
- Review employment agreements, offer letters, severance arrangements, retention arrangements, change-in-control agreements and other compensation-related agreements for executive officers.

## 5.4 Incentive and Equity Compensation Plans

- Review, approve and administer, or recommend to the Board for approval, cash incentive, equity incentive and other compensation plans for executive officers, employees, directors and other eligible service providers.
- Approve, or recommend to the Board for approval, performance goals, payout formulas, award opportunities, vesting conditions, award grants and settlement determinations under incentive and equity plans.
- Oversee compliance with plan documents, stockholder approval requirements, Nasdaq listing standards, securities laws and tax rules applicable to compensation plans.
- Monitor share usage, dilution, overhang, vesting practices and the alignment of equity awards with the Company's long-term strategy and stockholder interests.
- Review proposed amendments, modifications, suspensions or terminations of compensation plans and recommend stockholder approval where required.

## 5.5 Director Compensation

- Periodically review compensation for non-employee directors and make recommendations to the Board.
- Consider director compensation levels, Board and committee workload, peer practices, stockholder alignment, independence considerations and applicable law.
- Review reimbursement policies for reasonable expenses incurred by directors in connection with Board and committee service.

## 5.6 Compensation Risk Management

- Review the relationship between the Company's compensation policies and risk management practices.
- Assess whether compensation programs encourage unnecessary or excessive risk-taking or otherwise create risks reasonably likely to have a material adverse effect on the Company.
- Coordinate with the Audit Committee and other Board committees as appropriate regarding risk matters that overlap with financial reporting, internal controls, cybersecurity, operations, safety or compliance.

## 5.7 Compensation Recovery, Stock Ownership and Hedging Policies

- Oversee the Company's compensation recovery or clawback policy and recommend changes necessary to comply with Nasdaq Rule 5608, SEC Rule 10D-1 and other applicable requirements.
- Review determinations regarding recovery of erroneously awarded incentive-based compensation and the administration of any supplemental misconduct-based clawback provisions adopted by the Company.
- Review and recommend stock ownership guidelines, share retention requirements and policies regarding hedging, pledging or monetization transactions by directors and executive officers.
- Monitor compliance with compensation-related policies assigned to the Committee.

## 5.8 Disclosure and Regulatory Responsibilities

- Review and discuss with management the Compensation Discussion and Analysis, compensation tables, narrative disclosures and related executive compensation disclosures required in the Company's proxy statement, annual report or other applicable SEC filings.
- Recommend to the Board whether the Compensation Discussion and Analysis should be included in the Company's annual report, proxy statement or other applicable filing, if required.
- Produce the Compensation Committee Report required by applicable SEC rules, if required.
- Review disclosures concerning compensation committee processes, compensation consultants, compensation committee interlocks and insider participation, pay-versus-performance, pay ratio, say-on-pay, say-on-frequency and other compensation-related matters as applicable.
- Oversee compliance with stockholder advisory vote requirements relating to executive compensation and consider the results of stockholder votes and investor feedback when reviewing compensation programs.

## 5.9 Human Capital and Succession-Related Matters

- Review, as appropriate, executive retention, leadership development and management succession matters that relate to compensation and incentives.
- Oversee compensation-related aspects of the Company's human capital strategy, including incentive alignment, retention of key talent and equitable pay practices, to the extent assigned by the Board.

## 6. Delegation

The Committee may delegate authority to one or more subcommittees consisting of one or more Committee members to the extent permitted by applicable law, SEC rules, Nasdaq listing standards, the Company's governing documents and applicable compensation plan documents.

The Committee may also delegate to officers of the Company limited authority to make grants or awards to employees who are not executive officers or directors, subject to limits and requirements established by the Committee, applicable law and the applicable plan documents.

## 7. Reporting to the Board

The Committee shall report regularly to the Board regarding its meetings, actions, findings and recommendations. The Committee shall provide the Board with such information and recommendations as the Board may request.

## 8. Annual Review and Performance Evaluation

The Committee shall review and reassess the adequacy of this Charter at least annually and recommend any proposed changes to the Board for approval. The Committee shall also conduct an annual evaluation of its performance and report the results to the Board or the committee responsible for governance matters.

## 9. Limitation of Role

The Committee's role is one of oversight and governance. Management is responsible for the design, implementation and day-to-day administration of compensation and benefit programs, subject to Committee and Board approval where required. Nothing in this Charter is intended to alter the fiduciary duties of the Board or Committee members under applicable law.

### Certification

This Charter was adopted by the Board of Directors of BlockFuel Energy Inc. on \_\_\_\_\_ and remains in effect until amended, restated or superseded by the Board.

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| <b>For and on behalf of the Board:</b> |  |
| <b>Name:</b>                           |  |
| <b>Title:</b>                          |  |