

# RENTECH, INC.

## COMPENSATION COMMITTEE CHARTER

July 23, 2003

### **1. Purpose.**

The primary purpose of the Compensation Committee is (i) to assist the Board in discharging its responsibilities relating to compensation of the Company's executive officers; and (ii) to produce an annual report on executive compensation for inclusion in the Company's proxy statement.

### **2. Organization.**

The Board of Directors shall designate, from time to time, the members of the Compensation Committee. The committee shall consist of two or more directors, each of whom shall satisfy the applicable independence requirements of The American Stock Exchange and any other regulatory requirements. The Committee's chairperson shall be designated by the full Board.

### **3. Structure and Meetings.**

The Committee shall meet at least twice each fiscal year and may coincide with meetings of the Board. Meetings of the Compensation Committee may be called by the Chair of the Compensation Committee, the Chairman of the Board or the President of the Company. All such meetings shall be held pursuant to the Bylaws of the Company with regard to notice and waiver of notice.

### **4. Goals and Responsibilities.**

The Compensation Committee shall:

4.1 Make recommendations to the Board with respect to all compensation programs for executive officers, directors and key employees, including salaries, incentive bonuses, stock options, allowances and contracts; and to the extent delegated by the Board, the Committee will serve as the committee referred to in the Company's stock option plans for administration of those stock option plans;

4.2 Annually review the compensation of the Chief Executive Officer, including the factors and criteria upon which the CEO's compensation is based, and consistent with any contract terms in effect, approve the Chief Executive Officer's compensation.;

4.3 Consult with the Chief Executive Officer on his recommendations to the Board of Directors for compensation of other executive officers.

4.4 Review the Company's compensation programs with the goal of ensuring that executives are rewarded in a manner consistent with the Company's internal equity considerations, competitive market practices, and contract obligations.

4.5 Produce an annual report on executive compensation, in accordance with applicable rules and regulations, for inclusion in the Company's proxy statement;

4.6 Report to the Board on recommendations of the Committee, as it deems appropriate; and

4.7 Annually review and reassess the adequacy of this charter, and if deemed appropriate, recommend changes to the Board for approval; and

**5. Performance Evaluation.**

The Compensation Committee shall, on an annual basis, review and assess the adequacy of this charter and conduct an evaluation of the Compensation Committee's own performance during the previous fiscal year.

**6. Committee Resources.**

The Compensation Committee shall have the authority to obtain advice and seek assistance from the Company's legal, accounting and other advisors.