

SYNTHESIS ENERGY SYSTEMS, INC.

COMPENSATION COMMITTEE CHARTER

(Adopted as of March 2007)
(Amended as of December 12, 2012)

I. PURPOSE

The Compensation Committee (the “*Committee*”) is a standing committee of the Board of Directors (the “*Board*”) of Synthesis Energy Systems, Inc., a Delaware corporation (the “*Company*”). The primary purpose of the Committee is to provide oversight on the broad range of matters surrounding the compensation of management, including recommending to the Board the compensation for the Company’s chief executive officer and approving the compensation and employee benefits for the Company’s other executive officers¹ and employees.

The Committee will primarily fulfill its purpose by carrying out the activities enumerated in *Section IV* of this Charter. The Committee has the authority to retain and terminate, at the Company’s expense, and approve the fees and other retention terms of, compensation, director search, legal and other advisors it deems necessary for the fulfillment of its responsibilities. Notwithstanding this, the Committee shall consider the factors set forth in *Section IV(16)* of this Charter before engaging any such advisors.

II. COMPOSITION

The Committee shall be comprised of at least three directors, each of whom shall be “independent” directors under the listing standards of The NASDAQ Stock Market, Inc. (“*NASDAQ*”) as in effect from time to time and under Rule 10C-1 of the Securities Exchange Act of 1934, as amended (the “*Exchange Act*”).

Notwithstanding the foregoing, one director who is not independent by reason of any of the NASDAQ standards, and is not a current officer or employee or an immediate family member of such employee, may be appointed to the Committee, if the Board, under exceptional and limited circumstances, determines that membership on the Committee by the individual is required by the best interests of the Company and its stockholders, and the Board discloses, in the next annual proxy statement subsequent to such determination, the nature of the relationship and the reasons for that determination. A member appointed under this exception may not serve longer than two years.

Additionally, the members of the Committee shall also qualify as “non-employee directors” within the meaning of Rule 16b-3 promulgated under the Exchange Act and

¹ Executive officers include the chief executive officer, president, principal financial officer, principal accounting officer, vice presidents of principal business functions, and any other officer or employee who performs a policy-making function.

“outside directors” within the meaning of Section 162(m) of the Internal Revenue Service Code of 1986, as amended.

The members of the Committee shall be appointed by the independent directors of the Board at the meeting of the Board held in conjunction with the Company’s annual stockholders’ meeting, and shall serve on the Committee for a term coinciding with their Board term. If a Chair of the Committee is not appointed by the Board, the Committee shall itself designate a Chair.

III. MEETINGS

The Committee will meet at least two times annually, or more frequently as circumstances dictate. The Committee will invite members of management and others to attend meetings and provide pertinent information, as necessary. Meeting agendas will be prepared and provided in advance to Committee members, along with appropriate briefing materials. Minutes will be prepared and the Committee will report to the Board the results of its meetings.

IV. DUTIES AND RESPONSIBILITIES

The Committee has the following specific duties, in addition to any other matters consistent with this Charter, the Company’s bylaws, applicable law and NASDAQ rules, as the Committee or the Board deems necessary.

1. Reviews and recommends to the Board corporate goals and objectives relevant to the Company’s executive officers’ compensation (annual salary and bonus) and annually evaluates each executive officers’ performance in light of those goals and objectives.
2. Reviews and recommends to the independent directors of the Board for their approval the compensation and benefits for the Chief Executive Officer and any employment agreements, or amendments thereto, for the Chief Executive Officer, including severance arrangements and benefits to be provided in connection with a change of control event. In evaluating and determining the CEO’s compensation, the Committee shall consider, to the extent it deems appropriate in its sole discretion and to the extent such vote was required to be held, the results of the most recent stockholder advisory vote on executive compensation (“*Say on Pay Vote*”) required by Section 14A of the Exchange Act
3. Reviews and approves compensation and benefits for all executive officers, other than the Chief Executive Officer.² Reviews and approves all employment agreements and all amendments to such agreements for executive officers other than the Chief Executive Officer, including severance arrangements and benefits to be provided in connection with a change of control event. In evaluating and

² The chief executive officer’s compensation will be determined in executive session. The chief executive officer may be present during deliberations of all other executive officers’ compensation, but may not vote.

approving executive compensation, the Committee shall consider, to the extent it deems appropriate in its sole discretion and to the extent such vote was required to be held, the most recent Say on Pay Vote.

4. Reviews and approves on an annual basis the annual compensation pool, which includes a budget for annual salary increases and bonuses, for employees of the Company (other than the executive officers). Once the annual compensation pool is approved, the Committee directs the Chief Executive Officer, with the assistance of the other executive officers, to determine the annual compensation and bonus increases for each employee of the Company (other than the executive officers).
5. Review and make recommendations to the Board with respect to the adoption, amendment and termination of the Company's incentive plans, and administers such incentive plans. In reviewing and making recommendations regarding incentive plans, including whether to adopt, amend, or terminate any such plans, the Committee shall consider, to the extent it deems appropriate in its sole discretion and to the extent such vote was required to be held, the results of the most recent Say on Pay Vote.
6. Reviews and approves the grant of all incentive awards in accordance with the Company's incentive plans.
7. Reviews and recommends to the Board the Company's significant personnel compensation policies and benefit programs and major changes thereto, and the Company's long-range planning for executive development and succession.
8. Reviews and recommends to the Board policies on management perquisites, and also monitors the Company's non-discrimination policies and practices.
9. If such disclosure is required by the applicable provisions of the Exchange Act, review and discuss with management the Company's Compensation Discussion and Analysis ("**CD&A**") and the related executive compensation information, and recommend that the CD&A and related executive compensation information be included in the Company's annual report on Form 10-K and proxy statement.
10. If such disclosure is required by the applicable provisions of the Exchange Act, prepare the compensation committee report required to be included in the Company's proxy statement in accordance with applicable rules and regulations.
11. Review the Company's incentive compensation arrangements to determine whether they encourage excessive risk-taking, review and discuss at least annually the relationship between risk management policies and practices and compensation, and evaluate compensation policies and practices that could mitigate any such risk.
12. If required by the applicable provisions of the Exchange Act, Review and recommend to the Board for approval the frequency with which the Company will

conduct Say on Pay Votes, taking into account the results of the most recent stockholder advisory vote on frequency of Say on Pay Votes required by Section 14A of the Exchange Act, and review and approve the proposals regarding the Say on Pay Vote and the frequency of the Say on Pay Vote to be included in the Company's proxy statement.

13. Establish and monitor compliance with stock ownership guidelines for directors and executive officers.
14. Retain or obtain the advice of compensation consultants, independent legal counsel and other compensation advisors as necessary to accomplish its duties and responsibilities.
15. Determination of the compensation and oversight of the work of any advisors engaged by the Committee.
16. Consider the following independence factors prior to engaging any advisors:
 - the provision of other services to the Company by the advisor's employer;
 - the fees received from the Company by the advisor's employer, as a percentage of the total revenue of the employer;
 - the policies and procedures of the advisor's employer that are designed to prevent conflicts of interest;
 - any business or personal relationship of the advisor with a member of the Committee;
 - any stock of the Company owned by the advisor; and
 - any business or personal relationship of the advisor or the advisor's employer with an executive officer of the Company.

V. PERFORMANCE EVALUATION

The Committee will conduct an evaluation of the Committee's performance and charter at least annually, and will report to the Board the results of such evaluation and any recommended changes to this charter.