

SpectraScience, Inc.

Grants of Authority

INTRODUCTION

This summary of duties and responsibilities was prepared to provide the management of SpectraScience a framework for interaction with the Board of Directors.

I. Required Board Actions.

The board of directors is charged with managing the corporate affairs. This duty is discharged through exercise of the corporate powers. Accordingly, board approval is required by law for:

- A. Election of officers;
- B. Adoption of amendments or repeals of bylaws;
- C. Election of directors to fill vacancies;
- D. Designation of committees and allocation of authority to them;
- E. Adoption of indemnification provisions for corporate directors, officers and agents;
- F. Approval of insurance and sale of corporate securities;
- G. Call of shareholders meetings;
- H. Declaration of dividends and other shareholder distributions, and redemption of shares;
- I. Amendment of articles of incorporation in certain cases;
- J. Sale, lease or other disposition of corporate property and assets;
- K. Approval of mergers and reorganizations;
- L. Approval of the adoption of pension, profit-sharing and other employee benefit plans;
- M. Approval of corporate borrowing and loans;
- N. Designation of corporate depository bank and authorized signatories;
- O. Removal of directors in some instances.

II. Actions By Policy.

In addition, it is corporate policy that the Board of SpectraScience, Inc. will exercise formal approval authority over the following:

- A. Capital expenditures or asset purchases in excess of \$10,000
- B. Entering real estate leases or capital equipment leases
- C. Acquisitions or divestitures
- D. Investment programs for cash and non-operating funds
- E. Any expenditure over \$10,000 that was not explicitly included in the approved budget.

III. Board Procedure

- A. The Board requires that Management provide it critical information on a routine basis:
 - 1. An annual budget of revenues, operating expenses, and capital expenses.
 - 2. Quarterly Financial Reports, including: balance sheet, operating statements, comparison of actual to budget, and rolling cash flow projections for the next 6 months.

B. All checks over \$10,000 will be signed by either the CEO and one board member, or the CEO and the CFO, once one is designated by the board of directors.

IV. Compensation Committee

The Board of Directors has determined that the Compensation Committee shall be responsible for the following:

- A. Review annually and determine the individual elements of total compensation for the Chief Executive Officer, and for other officers and key management.
- B. Approve the salary range structure, salary increase guidelines, and executive promotions for the Company's senior management.
- C. Assure that the annual incentive compensation plan is administered in a manner consistent with the Company's total compensation program as to the following:
 1. Participation
 2. Corporate financial and operating goals
 3. Target annual incentive awards
 4. Actual awards paid to senior management
 5. Total funds reserved for payment under the plan
- D. Approve for submission to the shareholders all equity-related incentive plans, and administer the Company's long-term incentive programs in a manner consistent with the terms of the plans as to the following:
 1. Participation criteria
 2. Award guidelines
 3. Vesting requirements and other option provisions
 4. Awards to individuals
 5. Total shares reserved for awards
- E. Review the Company's employee benefit programs and approve changes subject, where appropriate, to shareholder or Board of Director approval.
- F. Fix the terms and awards of stock compensation for members of the Board in accordance with the rules in effect under Section 16 of the Securities and Exchange Act of 1934.
- G. Review with the Chief Executive Officer plans for organizational development and management succession.
- H. Review any employment agreements, severance arrangements, change-in-control arrangements or special or supplemental employee benefits, applicable to executive officers and recommend the same for approval by the members of the Board based on this review.

V. Audit Committee

The Board of Directors has specifically delegated to the Audit Committee the responsibility to:

- A. Appoint and provide for the compensation of a “registered public accounting firm” to serve as the Company’s independent auditor.
- B. Discuss the audit reports with the auditor, oversee the independence of the independent auditor and take appropriate action to address issues raised by the evaluation.
- C. Meet quarterly with management and the independent auditor to discuss the quarterly financial statements prior to the filing of the Form 10-Q.
- D. Review significant changes to the Company’s accounting principles and practices proposed by the independent auditor, the internal auditor, if any, or management.
- E. Approve all professional services, to be provided to the Company by its independent auditor.
- F. Review and approve all related party transactions.