



Compensation Committee Charter

A. Purpose

The purpose of the Compensation Committee (the “**Committee**”) of the Board of Directors (the “**Board**”) of KiOR, Inc. (the “**Company**”) is to assist the Board in fulfilling its oversight responsibility relating to the Total Compensation (defined as base salary, bonus and other incentive compensation, benefits and perquisites) of the Company’s Chief Executive Officer (CEO) and senior-most other executives as determined by the Committee (the “**Covered Executives**”) in a manner consistent with and in support of the business objectives of the Company, competitive practice, and all applicable rules and regulations. The Committee shall also assist the Board with respect to the amount and form of non-employee director compensation. The Committee has oversight responsibility for reviewing the Company’s compensation and development policies and practices applicable to employees other than Covered Employees to the extent the Committee deems appropriate.

B. Structure and Membership

1. Number. The Committee shall consist of at least two members of the Board, each of whom qualifies as a “non-employee director”, as such term is defined from time to time in Rule 16b-3 promulgated under the Exchange Act, and an “outside director”, as such term is defined from time to time in Section 162(m) of the Internal Revenue Code of 1986, as amended, and the rules and regulations thereafter).
2. Independence. Members of the Committee shall meet all independence and other legal requirements for service on the Committee as shall apply from time to time, as determined by the Board.
3. Chair. Unless the Board elects a Chair of the Committee, the Committee shall elect a Chair by majority vote.
4. Compensation. The compensation of Committee members shall be as determined by the Board or by the Nominating and Corporate Governance Committee.
5. Selection and Removal. Members of the Committee shall be appointed by the Board, upon the recommendation of the Nominating and Corporate Governance Committee. The Board may remove members of the Committee from such committee, with or without cause.

C. Authority and Responsibilities

The Committee shall discharge its responsibilities, and shall assess the information provided by the Company’s management, in accordance with its business judgment.

The authority and responsibilities of the Committee include:

1. The Committee will review and approve all aspects of Total Compensation for the CEO and Covered Executives, including, but not limited to:
 - a. Review and approval of corporate and individual goals and objectives relevant to Total Compensation, an evaluation of the executive’s performance in light of those goals and objectives, and a determination of the Total Compensation level based on this evaluation.
 - b. Will make recommendations to the Board with respect to incentive compensation and equity-based incentive plans that are subject to Board approval, and will govern the Company’s shareholder-approved award and options plan (s). The plan governance role of the Committee will include the authority to adopt, administer, approve, and ratify awards, including amendments to the awards made under any such plans, and the review and monitoring of awards under such plans. The Committee, or a majority of the independent directors serving on the Board, shall approve any inducement awards granted in reliance on the exemption from stockholder approval contained in NASDAQ Rule 5635(c)(4).
 - c. Approve Total Compensation (including the adjustment of base salary each year) and bonus and other incentive compensation programs, and authorize all awards to such individuals under those programs.
 - d. In determining the long-term incentive component of CEO Total Compensation, the Committee will consider the Company’s performance, relative shareholder return, the value of similar incentive awards to CEOs at comparable companies, and other factors that the Committee deems relevant from time to time.
 - e. The CEO may not be present during any voting or deliberations of the Committee regarding the CEO’s compensation.
2. Review, and in connection therewith, study or commission any necessary studies or surveys concerning, the levels of executive compensation payable in the industry in which the Company is engaged and in other related industries and

- obtain recommendations from outside consultants concerning competitive pay programs, as appropriate.
3. The Committee will be responsible for approving executive employment, severance and retention agreements and any change-in-control protection offered by the Company to its employees.
 4. The Committee will be responsible for approving stock ownership guidelines, if and to the extent formulated by the Committee from time to time, and monitoring compliance by directors and Covered Executives with stock ownership guidelines, to the extent any such guidelines are in effect.
 5. The Committee will review and discuss with the Company's "Compensation Discussion and Analysis" required by Item 402(b) of Regulation S-K (the "CD&A"). The Committee shall consider annually whether it will recommend to the Board that the CD&A be included in the Company's Annual Report on Form 10-K, proxy statement on Schedule 14A or information statement on Schedule 14C.
 6. The Committee shall prepare the annual Committee Report required by Item 407(e)(5) of Regulation S-K.
 7. The Committee will consider the say on pay vote for the most recent annual meeting in accordance with applicable law and prior shareholder votes on this subject as part of its review of the CD&A and its determination of whether to make any adjustments to the Company's executive compensation policies and practices.
 8. The Committee will determine and recommend to the Board a frequency for say on pay votes to be proposed to shareholders at the annual meeting at least once every six years in accordance with applicable law, SEC rules and NASDAQ listing requirements and prior shareholder votes on this subject.
 9. The Committee will review the implementation of the Company's compensation recoupment ("clawback") practices and its methods of enforcing such practices and recommend to the Board any changes.
 10. The Committee shall, at the request of the Board, periodically review and make recommendations to the Board relating to management succession planning, including policies and principles for CEO selection and performance review, as well as policies regarding succession in the event of an emergency or the retirement of the CEO.
 11. The Committee will review risks related to the Company's compensation policies and practices and to review and discuss, at least annually, the relationship between the Company's risk management policies and practices, corporate strategy and compensation policies and practices.
 12. The Committee will review competitive practice data regarding non-employee director compensation and make recommendations to the Board with respect to the amount and form of such compensation.
 13. The Committee will make this Charter public available as required under the rules and regulations promulgated by the SEC or the NASDAQ.
 14. The Committee will have such other duties and responsibilities as may be assigned to the Committee, from time to time, by the Board, and / or the Chairman of the Board.

D. Procedures and Administration

1. Meetings and Minutes. The Committee shall meet as often as it deems necessary in order to perform its responsibilities, but not less than once each year. The Committee may also act by unanimous written consent in lieu of a meeting. The Committee shall keep such records of its meetings as it shall deem appropriate.
2. Subcommittees. The Committee may form and delegate authority to one or more subcommittees as it deems appropriate from time to time under the circumstances (including (a) a subcommittee consisting of a single member and (b) a subcommittee consisting of at least two members, each of whom qualifies as a "non-employee director," as such term is defined from time to time in Rule 16b-3 promulgated under the Exchange Act, and an "outside director," as such term is defined from time to time in Section 162(m) of the Internal Revenue Code of 1986, as amended, and the rules and regulations thereunder).
3. Reports to Board. The Committee shall report regularly to the Board.
4. Charter. The Committee shall, from time to time as it deems appropriate, review and reassess the adequacy of this Charter and recommend any proposed changes to the Board for approval.
5. Consulting Arrangements. The Committee shall have the authority to retain and terminate any compensation consultant to be used to assist in the evaluation of executive officer compensation and shall have authority to approve the consultant's fees and other retention terms. The Committee shall also have authority to commission compensation surveys or studies as the need arises. The Committee is empowered, without further action by the Board, to cause the Company to pay the compensation of such consultants as established by the Committee. The Committee and the Company have adopted a policy that any compensation consultant used by the Committee to advise on executive compensation will not at the same time advise the Company on any other matter, unless the Committee approves such additional services.
6. Independent Advisors. The Committee is authorized, without further action by the Board, to engage such independent legal and other advisors as it deems necessary or appropriate to carry out its responsibilities. Such independent advisors may be the regular advisors to the Company. The Committee is empowered, without further action by the Board, to cause the Company to pay the compensation of such advisors as established by the Committee.
7. Investigations. The Committee shall have the authority to conduct or authorize investigations into any matters within the scope of its responsibilities as it shall deem appropriate, including the authority to request any officer, employee or advisor of the Company to meet with the Committee or any advisors engaged by the Committee.
8. Self-Evaluation. The Committee shall, from time to time as it deems appropriate, evaluate its own performance.