



Corporate Governance Guidelines

The Board of Directors (the "Board") of KiOR, Inc. (the "Company") has adopted these Corporate Governance Guidelines (these "Guidelines") to assist the Board in the exercise of its responsibilities under applicable law. The Board is elected by the Company's stockholders to provide oversight of the business and affairs of the Company. The Board is committed to building long-term value for stockholders and promoting the continuity and vitality of the Company's businesses by setting policy for the Company, monitoring the performance of both the Company and its management and providing management with appropriate advice and feedback.

I. Board Composition and Director Qualifications

A. Director Independence

For a director to be deemed independent, the Board shall affirmatively determine that the director has no material relationship with the Company or its affiliates or any member of the senior management of the Company or his or her affiliates. In addition, the director must meet criteria for independence established by the applicable rules of The NASDAQ Stock Market, Inc. ("NASDAQ"). The Company is a "Controlled Company" pursuant to the NASDAQ Listing Rule 5615(c), as more than 50% of the voting power for the election of directors is held by an individual, a group or another company. Accordingly, the Company is exempt from having a majority of the Board be comprised of independent directors. However, it is the policy of the Board that all the members of the Audit Committee also satisfy the criteria for independence under applicable provisions of the Securities Exchange Act of 1934 (the "Exchange Act"), and the rules promulgated thereunder. The Board shall undertake an annual review of the independence of all non-employee directors. Directors have an affirmative obligation to inform the Board of any material changes in their circumstances or relationships that may impact their designation by the Board as independent.

B. Qualification and Selection

The Nominating and Corporate Governance Committee is responsible for assessing, on an annual basis, the skills and characteristics that candidates for election to the Board at its next annual meeting should possess, as well as the composition of the Board as a whole. This assessment will include the qualifications under applicable independence standards and other standards pertaining to the Board and its committees, as well as consideration of skills and experience in the context of the needs of the Board. On the basis of this assessment, in accordance with its charter, the Nominating and Corporate Governance Committee will recommend nominees for directorship to the full Board. The Nominating and Corporate Governance Committee shall consider individuals recommended or nominated by stockholders.

C. Board Size

On an annual basis, the Nominating and Corporate Governance Committee shall consider the size of the Board and report to the Board the results of its review and any recommendations for change. The Board believes that a size of five to twelve members is appropriate for the Company at this time. However, the Board believes it should have the flexibility to vary the size and composition of the Board as business conditions and overall Board requirements may dictate from time to time.

D. Change of Status; Tender of Resignation

Directors are expected to report changes in their business or professional occupations or associations, including retirement, resignation and termination, to the Chairman of the Board and the Chairman of the Nominating and Corporate Governance Committee. A director should offer to resign from the Board and any committees on which he or she serves if the Nominating and Corporate Governance Committee concludes that the director no longer meets the Company's requirements for service on the Board.

A director who breaches an ethical standard set forth in the Company's Code of Business Conduct should volunteer to resign from the Board and any committees on which he or she serves if the Nominating and Corporate Governance Committee concludes that continued service by such director is no longer appropriate.

E. Limitation on Outside Directorships

No director should simultaneously serve on the board of directors of more than four other public companies (*i.e.*, companies that file periodic reports with the Securities and Exchange Commission under the Exchange Act), unless otherwise approved by the Nominating and Corporate Governance Committee. Directors should advise the Chairman of the Board and the Chairman of the Nominating and Corporate Governance Committee in advance of accepting an invitation to serve on another public company's board. In addition, before accepting an invitation to serve on another company's board (whether public or private), directors should consult with the Company's General Counsel to determine that the new directorship would not cause issues

under section 8 of the Clayton Act.

F. Term Limits

No director may be nominated to a new term if he or she would be age 75 or older at the time of election. The Board does not believe it should otherwise establish term limits. Instead, the Nominating and Corporate Governance Committee will review each director's qualifications, suitability and willingness to continue on the Board in connection with the selection of nominees to take office when the director's term expires. This review will allow each director the opportunity to confirm his or her desire to continue as a member of the Board.

G. Separation of Chairman and CEO Position

The Board has no policy requiring either that the positions of the Chairman of the Board and of the Chief Executive Officer be separate or that they be occupied by the same individual. The Board believes that this issue is properly addressed as part of the succession planning process and that it is in the best interests of the Company for the Board to make a determination when it elects a new Chief Executive Officer or at other times consideration is warranted by circumstances.

II. Director Responsibilities

A. Basic Duties

It is the basic responsibility of each director to exercise his or her business judgment to act in what he or she reasonably believes to be in the best interests of the Company and its stockholders. In discharging that obligation, a director is entitled to rely on the Company's executives, employees, outside advisors and auditors as to matters the director reasonably believes are within such person's professional or expert competence.

B. Attendance at Board and Stockholder Meetings

Directors are expected to attend Board meetings and meetings of committees on which they serve and to spend as much time and meet as frequently as necessary to properly discharge their responsibilities. Information and data that are important to the Board's understanding of the business to be conducted at a Board or committee meeting should ordinarily be distributed in writing to the directors before the meeting, and directors should review these materials in advance of the meeting. In addition, directors are expected to attend annual meetings of the Company's stockholders.

C. Ethics and Conflicts of Interest

Directors are expected to act ethically and in a manner that brings credibility to the Company. Each director shall adhere to the Company's Code of Business Conduct.

If an actual or potential conflict of interest involving a director develops, whether because of a change in the business operations of the Company or a subsidiary, or in the director's circumstances (for example, significant and ongoing competition between the Company and a business with which the director is affiliated) or otherwise, the director should report the matter immediately to the chairman of the Audit Committee, and if the actual or potential conflict involves the chairman of the Audit Committee, the director shall inform the Chairman of the Board, or if the Chairman of the Board is also the chairman of the Audit Committee, the chairman of the Audit Committee shall inform the other members of the Audit Committee. Any questions involving a conflict of interest shall be resolved in accordance with the Company's Related Party Transaction Approval Policy. A significant and potentially ongoing conflict must be resolved or the director should resign.

If a director has a personal or business interest in a matter before the Board, the director shall disclose the interest to the Chairman of the Board and, if appropriate, recuse him or herself from participation in the related deliberations and shall abstain from voting on the matter.

D. Insurance; Indemnification

The directors shall be entitled to have the Company purchase reasonable directors' and officers' liability insurance on their behalf, to the benefits of indemnification to the fullest extent permitted by law and the Company's certificate of incorporation, bylaws and any indemnification agreements, and to exculpation as provided by Delaware law and the Company's certificate of incorporation.

III. Functioning of the Board

A. Board Meetings

The Board has determined that it should conduct at least four regularly scheduled meetings per year. Additional meetings may be scheduled as necessary or appropriate in light of circumstances.

B. Meeting Agenda, Materials

The Chairman of the Board and the Chief Executive Officer will establish the agenda for each Board meeting. Each Board member is free to suggest the inclusion of items on the agenda. Each Board member is free to raise at any Board meeting subjects that are not on the agenda for that meeting. The Board will review the Company's long-term strategic and business plans periodically during regularly scheduled meetings.

In advance of each regular non-telephonic Board meeting, and in advance of telephonic Board meetings if deemed appropriate

by the Chairman of the Board and the Chief Executive Officer, an agenda and advance materials will be distributed to each director. To the extent feasible or appropriate, background information and data important to the directors' understanding of the matters to be considered, including summaries of presentations to be made at Board meetings and proposed resolutions, will be included. Directors also will routinely receive periodic financial statements, earnings reports, press releases, analyst reports and other information designed to keep them informed of the material aspects of the Company's business, performance and prospects. For special meetings of the Board, notice of the meeting and an agenda, together with background materials to the extent practicable, will be distributed to all directors in advance.

C. Meetings of Independent Directors

To ensure free and open discussion and communication among the independent directors of the Board, the independent directors will have at least two regularly scheduled executive sessions each year, and more frequently as necessary or desirable, in conjunction with regularly scheduled meetings of the Board, at which only independent directors are present. The director who presides at these meetings will be the Chairman of the Board, if he or she is an independent director. Otherwise, the presiding director will be chosen by a vote of the independent directors.

D. Communications with the Directors

Stockholders and other interested parties may make their concerns known confidentially to the Board or the independent directors by submitting a communication addressed to the "Board of Directors", a specifically named independent director or the "Independent Directors" as a group, in care of the Company's Secretary. All such communications will be conveyed, as applicable, to the Board, the specified independent director or the independent directors as a group.

E. Director Access to Officers, Management and Advisors

Directors have full and free access to officers and employees of the Company. To the extent they consider it necessary and appropriate, directors also have access to the Company's outside advisors (including its auditors, attorneys and financial advisors). The Board also welcomes regular attendance at each Board meeting by senior officers of the Company upon invitation of the Chief Executive Officer, subject to the Board's right in all instances to meet in executive session or with a more limited number of management representatives. The Board encourages the senior officers to bring other managers into Board or committee meetings and other scheduled events who (1) can provide additional insight into matters being considered or (2) are managers with future potential who the officers believe should be given exposure to the members of the Board.

F. Independent Advisors

In performing its duties, the Board and each of the Board committees, to the extent set forth in the applicable charters, shall have the authority to obtain advice and assistance from and retain, at the Company's expense, independent legal, accounting, financial and other advisors or resources.

G. Director Compensation

The Nominating and Corporate Governance Committee, in accordance with the policies and principles set forth in its charter, will evaluate and recommend to the Board the form and amount of director compensation for service on the full Board and on Board committees. Directors who are Company employees shall not be separately compensated for their service as directors. The Nominating and Corporate Governance Committee will consider that directors' independence may be jeopardized if director compensation and perquisites exceed customary levels, if the Company makes substantial charitable contributions to organizations with which a director is affiliated or if the Company enters into consulting contracts with (or provides other indirect forms of compensation to) a director or an organization with which the director is affiliated. The Board believes that an alignment of director interests with those of stockholders is important. Accordingly, the Board believes that a portion of directors' compensation should be paid in stock, stock options or other forms of compensation that correlate with the market value of the Company.

IV. Board Committees

A. Standing Committees

The current committees of the Board are the Audit Committee, the Compensation Committee, and the Nominating and Corporate Governance Committee. The Board may, from time to time, establish or maintain additional committees as it deems necessary or appropriate and may delegate to those committees such authority permitted by applicable law and the Company's Bylaws as the Board deems appropriate. The Board may also disband a committee depending on the circumstances, subject to the Exchange Act and the applicable rules thereunder and the NASDAQ rules.

B. Assignment of Committee Members

Members of standing committees will be designated by the Board each year at the meeting directly following the annual meeting of stockholders, after receiving recommendations of the Nominating and Corporate Governance Committee and with consideration given to the desires of individual directors. The Board believes that consideration should be given to rotating committee assignments from time to time, though rotation should not be mandated as a policy.

C. Committee Charters

Each of the standing committees will have a written charter adopted by the Board. The charters will set forth the purposes and

responsibilities of the committees, as well as provisions regarding committee structure and operations and committee reporting to the Board.

D. Frequency of Meetings

Each committee shall meet as frequently and for such length of time as it may determine is necessary to carry out its assigned duties and responsibilities, and as may be required by applicable law or NASDAQ. The chairman of each committee, in consultation with other committee members, shall be responsible for this determination, consistent with any requirements set forth in the committee's charter. The Audit Committee shall meet at least quarterly.

E. Committee Agendas

The chairman of each committee, together with the other members and senior management as appropriate, will develop the committee's written agenda and related background materials for each meeting. Committee members and other directors may suggest the addition of any matter to the agenda for any committee meeting. Any committee member may raise at any committee meeting subjects that are not on the agenda for the meeting.

F. Attendance by Others at Committee Meetings

Any director may attend committee meetings, except where the committee chairman determines that there is a specific reason to limit attendance at the meeting. The committee chairman may invite one or more members of senior management of the Company to be in regular attendance at meetings and may include other officers and employees from time to time as appropriate under the circumstances.

V. Other Governance Practices and Policies

A. CEO Evaluation

The Compensation Committee will oversee the annual assessment of the performance of the Chief Executive Officer, as provided in its charter. The Board will consider the Compensation Committee's assessment with a view to ensuring that the Chief Executive Officer is providing appropriate leadership for the Company.

B. Annual Performance Evaluation

The Board will conduct an annual self-evaluation to determine whether it and its committees are functioning effectively. In accordance with its charter, the Nominating and Corporate Governance Committee will oversee such annual evaluation, solicit comments from all directors and report annually to the Board with an assessment of the performance of the Board, its committees and individual directors. This assessment will then be discussed and taken into account by the full Board in its consideration of any appropriate action or response.

C. Director Orientation and Continuing Education

Each new director should participate in an orientation program, which should be conducted promptly after his or her initial election or appointment. This orientation will include presentations by senior management to familiarize new directors with the Company's operations, its significant financial, accounting and risk management issues, its compliance programs, its Code of Business Conduct, its principal officers and its internal and independent auditors. Other directors are also welcome to attend any of these orientation programs.

The Board believes that directors, at their discretion, should have access to educational programs related to their duties as directors on an ongoing basis to enable them to better perform their duties and to recognize and deal appropriately with issues that arise. Subject to approval of the Chairman of the Nominating and Corporate Governance Committee, the Company will provide appropriate funding for any such program in which a director wishes to participate.

D. Executive Succession Planning

The Chief Executive Officer is responsible for developing and maintaining a succession plan with respect to the principal executive officers of the Company, and together with the Compensation Committee, the Nominating and Corporate Governance Committee, and the other directors, shall identify potential successors for the Chief Executive Officer position. The Compensation Committee shall periodically review executive succession planning with the Chief Executive Officer and make an annual report to the Board thereon. Such report shall set forth policies regarding succession in the event of unexpected death, disability or departure of the Chief Executive Officer. The appointment of the Chief Executive Officer and all other officers is ultimately a decision for the full Board.

E. Public Communications

The Board believes that senior management should speak for the Company. Individual Board members may, from time to time, meet or otherwise communicate with various constituencies that are involved with the Company. However, it is expected that Board members would do this with the knowledge of senior management and, absent unusual circumstances or as contemplated by the committee charters, only at the request of senior management. Accordingly, Board members shall promptly advise the Chief Executive Officer or General Counsel if approached by outside constituencies regarding Company business.

F. Public Disclosure

These Guidelines, the Company's Code of Business Conduct and the charters of the Audit Committee, the Compensation

Committee, and the Nominating and Corporate Governance Committee, and all revisions and amendments thereto, shall be posted on the Company's Corporate Governance website.

G.Effect of Guidelines; Annual Review

These Guidelines provide a framework for governance of the Company and the Board. The Board recognizes, however, that exceptions may be required from time to time in order to respond to business changes and the needs of the stockholders. Accordingly, these Guidelines are not intended to constitute rules or have the effect of binding the Board in the future. The Nominating and Corporate Governance Committee will annually review these Guidelines, and any recommended revisions will be submitted to the full Board for consideration.