

RETENTION AGREEMENT

WHEREAS, the Attorney General has determined that the State of Mississippi may possess claims which could be asserted against certain persons and/or legal entities which are now or have previously been known as KiOR, INC., FRED CANNON, JOHN H. KARNES, MIKE McCOLLUM, ANDRE DITSCH, VINOD KHOSLA, SAMIR KAUL, DAVID MANN, KHOSLA VENTURES, DENNIS CUNEO, FISHER & PHILLIPS LLP, R.W. BECK, INC., SCIENCE APPLICATIONS INTERNATIONAL CORPORATION (SAIC) and/or other persons and/or other legal entities which may be discovered in due course (all prospective defendants are referred to collectively hereinafter as the “Defendants”), in connection with violations of the common and/or statutory laws of the State of Mississippi, as well as any violations of applicable federal laws (hereinafter “the Claims”);

WHEREAS, the Attorney General has determined that KiOR, INC. and/or certain of its related or affiliated companies may file for bankruptcy court protection and that the State of Mississippi and/or the Mississippi Development Authority (“MDA”) may possess or attain certain rights to prosecute claims within the bankruptcy proceeding;

WHEREAS, the Attorney General has determined that the investigation, research, and litigation of the Claims will require the expenditure of large sums of money and require the work of numerous lawyers, paralegals, accountants, and secretaries who are familiar with the defendants and their tortious and/or otherwise wrongful actions and/or inactions, and related issues for an extended period of time;

WHEREAS, the Attorney General has further determined that it is in the best interests of the State and its citizens that the State retain attorneys experienced in the prosecution of tort claims and specifically with litigation experience in complex litigation;

WHEREAS, William M. Quin II and the members and associate attorneys of his law firm, McCraney Montagnet Quin & Noble PLLC (collectively referred to herein as the “Law Firm”), are experienced in prosecuting a wide variety of tort claims and have broad experience and a track record of successfully managing complex civil litigation, including, but not limited to, claims made on behalf of the State of Mississippi; and,

WHEREAS, the Law Firm has consented to represent the State of Mississippi, in association with the Attorney General, in prosecuting the Claims and pursuant to the terms and conditions hereof.

IT IS, ACCORDINGLY, AGREED as follows:

1. The Office of the Attorney General hereby retains William M. Quin II and designates William M. Quin II and the attorneys of McCraney Montagnet Quin & Noble PLLC as a Special Assistants Attorney General, for the purpose of investigating, researching and filing the Claims against the Defendants in any appropriate Court or Courts or before any appropriate government agency.

2. The Attorney General does not relinquish his constitutional or statutory authority or responsibility through this Retention Agreement. The Attorney General has the sole authority to settle this litigation on behalf of the State of Mississippi and its citizens. The Law Firm shall consult with the Attorney General and obtain his approval on all material matters pertinent to these Claims and any litigation arising therefrom, and the Attorney General shall cooperate with the Law Firm and use his best efforts to secure the cooperation of other State agencies. Prior to initiating inquiries or demands to any persons or entities, the Attorney General and the Firm will agree upon entities to be contacted and/or claims to be pursued; the Firm will thereafter be entitled to its reasonable fees and expenses, as provided below, on any recovery from such

agreed-upon entity or claims, discovered as a consequence of the Firm's inquiry/demand. The Attorney General is not required, however, to assign any members of his staff to pursue the Claims, but may from time to time afford staff and other support services as the Attorney General deems appropriate. The Attorney General shall designate a member(s) of his staff to monitor these Claims, and the Law Firm shall keep the Attorney General and his designated staff member(s) fully informed on all matters pertaining to the Claims.

3. The Attorney General and the Law Firm both recognize that the claims present numerous factual and legal obstacles and that no assurance of success on the Claims has or can be made.

4. The Attorney General shall maintain responsibility for the public distribution of information concerning this matter. All press inquiries shall be referred to the Attorney General for comment and response.

5. Notwithstanding the potential difficulties, the Law Firm has agreed to represent the State, and the Attorney General hereby agrees that the Law Firm will be compensated for its efforts on the following basis:

A. Recovery of Attorneys' Fees: The Attorney General may request that the court, to the extent permitted by applicable law, award the State and the Law Firm reasonable attorneys' fees.

B. In addition, the Law Firm will be entitled to compensation that, along with any award of attorneys' fees, shall not exceed the amounts specified in Exhibit A.

C. All reasonable and necessary costs of litigation including, but not limited to, court costs, travel, witness fees, consultants, accounting, and expert fees and expenses, as shall be approved by the Attorney General, shall initially be borne entirely by the Law Firm, but

shall be reimbursed from any gross recoveries from the pursuit of the claims.

D. The Law Firm shall receive no compensation or reimbursement other than set out above. In the event that no recovery is realized, the Law Firm shall receive no compensation or reimbursement.

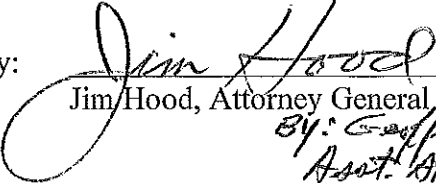
6. With the approval of the Attorney General, the Law Firm may associate other attorneys at its own expense and at no cost to the State of Mississippi. Notwithstanding such association of other attorneys, this Retention Agreement is non-assignable and non-transferable, nor are the Law Firm's commitments delegable without the express, written approval of the Attorney General.

7. The Law Firm shall, from the date hereof until not less than four (4) years after this contract expires or is terminated, maintain detailed current records, including documentation of all expenses, disbursements, charges, credits, underlying receipts and invoices, and other financial transactions that concern the providing of attorney services. In addition, the Law Firm shall maintain detailed contemporaneous time records for the attorneys and paralegals working on the matter in increments of no greater than one-tenth (1/10) of an hour, and shall promptly provide these records to the Attorney General upon request.

DATED this 20th day of NOVEMBER, 2014.

ATTORNEY GENERAL OF
THE STATE OF MISSISSIPPI

McCRANEY MONTAGNET
QUIN & NOBLE, PLLC

By: 
Jim Hood, Attorney General
*By: Geoffrey Morgan
Asst. Atty General*

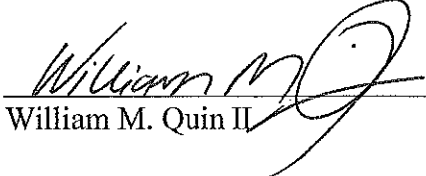
By: 
William M. Quin II

Exhibit A

Twenty-five percent (25%) of any recovery of up to Ten Million Dollars (\$10,000,000.00); plus

Twenty percent (20%) of any portion of such recovery between Ten Million Dollars (\$10,000,000.00) and Fifteen Million Dollars (\$15,000,000.00); plus

Fifteen percent (15%) of any portion of such recovery between Fifteen Million Dollars (\$15,000,000.00) and Twenty Million Dollars (\$20,000,000.00); plus

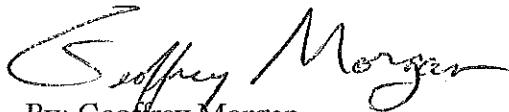
Ten percent (10%) of any portion of such recovery between Twenty Million Dollars (\$20,000,000.00) and Twenty-five Million Dollars (\$25,000,000.00); plus

Five percent (5%) of any portion of such recovery exceeding Twenty-five Million Dollars (\$25,000,000.00).

DETERMINATION OF NEED FOR CONTINGENCY FEE REPRESENTATION

The Attorney General has determined that use of outside counsel is cost-effective, in the public interest and necessary to pursue claims against KIOR, INC., FRED CANNON, JOHN H. KARNES, MIKE McCOLLUM, ANDRE DITSCH, VINOD KHOSLA, SAMIR KAUL, DAVID MANN, KHOSLA VENTURES, DENNIS CUNEO and FISHER & PHILLIPS LLP, and other persons and legal entities which may be discovered in due course (all prospective defendants are referred to collectively hereinafter as the "Defendants"), in connection with violations of the common and/or statutory laws of the State of Mississippi, as well as any violations of applicable federal laws. Use of outside counsel is necessary because: there does not exist sufficient and appropriate legal and financial resources within the Attorney General's office to handle the matter; the time and labor required necessitates outside counsel; the novelty, complexity, and difficulty of the questions involved are within the expertise of outside counsel, who in fact possessed the knowledge necessary to discover this issue in the first instance, and the skill requisite to perform the attorney services properly prohibit our office from being able efficiently to do it in-house. The geographic area where the attorney services are to be provided is expansive because of the diverse locations of the defendants, their operations, and the witnesses. Outside counsel has the amount and type of experience needed having worked on a number complex financial consumer protection matters on behalf of state and local governments.

Jim Hood
Attorney General



By: Geoffrey Morgan
Assistant Attorney General