

COMPENSATION COMMITTEE CHARTER
of the Compensation Committee
of Ener-Core, Inc.

This Compensation Committee Charter was adopted by the Board of Directors (the Board”) of Ener-Core, Inc. (the “Company”) on July 13, 2015.

I. Purpose

The purpose of the Compensation Committee (the “Committee”) of the Board of the Company is (1) to discharge the Board’s responsibilities relating to compensation of the Company’s executives, including by designing (in consultation with management or the Board), recommending to the Board for approval, and evaluating the compensation plans, policies and programs of the Company, (2) to produce an annual report on executive compensation for inclusion in the Company’s proxy materials (the “Proxy Materials”) in accordance with applicable rules and regulations and (3) to review and discuss with management the Compensation Discussion and Analysis (“CD&A”) to be included in the Proxy Materials in accordance with applicable rules and regulations. The Committee is responsible for overseeing the design of compensation programs that encourage high performance, promote accountability and the alignment of employee interests with the interests of the Company’s stockholders, and that executive management development processes are designed to attract, develop and retain talented leadership to serve the long-term best interest of the Company.

In addition to the powers and responsibilities expressly delegated to the Committee in this Charter, the Committee may exercise any other powers and carry out any other responsibilities delegated to it by the Board from time to time consistent with the Company’s bylaws.

II. Membership

The Committee shall consist of at least two directors, none of whom shall be an employee of the Company and each of whom shall (1) satisfy the director and compensation committee independence requirements of the Nasdaq Stock Market, (2) be a “non-employee director” within the meaning of Rule 16b-3 promulgated under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and (3) be an “outside director” under the regulations promulgated under Section 162(m) of the Internal Revenue Code of 1986, as amended (the “Code”).

The members of the Committee, including the Chair of the Committee, shall be appointed by the Board. Committee members may be removed from the Committee, with or without cause, by the Board. Any action duly taken by the Committee shall be valid and effective, whether or not the members of the Committee at the time of such action are later determined not to have satisfied the requirements for membership provided herein.

III. Meetings and Procedures

The Chair (or in his or her absence, a member designated by the Chair) shall preside at each meeting of the Committee and set the agendas for Committee meetings. The Committee shall have the authority to establish its own rules and procedures for notice and conduct of its meetings so long as they are not inconsistent with any provisions of the Company's bylaws that are applicable to the Committee.

The Committee shall meet on a regularly scheduled basis at least two times per year and more frequently as the Committee deems necessary or desirable.

The Committee may, at its discretion, include in its meetings members of the Company's management, representatives of the independent auditor, any other financial personnel employed or retained by the Company or any other person whose presence the Committee believes to be necessary or appropriate. Notwithstanding the foregoing, the Chief Executive Officer may not be present during voting or deliberations concerning his or her compensation.

The Committee shall have the sole authority to retain and/or replace, as needed, any outside legal counsel, compensation and benefits consultants or other outside experts or advisors as the Committee believes to be necessary or appropriate. Before selecting or receiving advice from any compensation and benefits consultant, outside legal counsel or other outside experts or advisors, the Committee shall conduct the independence assessment required by NASDAQ Rule 5605(d)(3), taking into consideration the factors specified in NASDAQ Rule 5605(d)(3)(D). The Committee may retain, or receive advice from, any advisors they prefer, including advisors that are not independent, after considering the specified factors. The Company shall provide for appropriate funding, as determined by the Committee in its sole discretion, for payment of compensation to any such persons retained by the Committee.

The Chair shall report to the Board following meetings of the Committee and as otherwise requested by the Chairman of the Board.

IV. Duties and Responsibilities

1. The Committee shall, at least annually, review the compensation philosophy of the Company.

2. The Committee shall, at least annually, review and approve corporate goals and objectives relating to the compensation of the chief executive officer ("the CEO"), evaluate the performance of the CEO in light of those goals and objectives and determine and approve the compensation of the CEO based on such evaluation. The Committee shall have sole authority to determine the CEO's compensation.

3. The Committee shall, at least annually, review and approve, in consultation with the CEO, all compensation for all other officers as such term is defined in Rule 16a-1, promulgated under the Exchange Act ("Non-CEO Officers"), and directors of the Board.

4. The Committee shall review and approve employment agreements and severance arrangements for the CEO and Non-CEO Officers (collectively, “Executive Officers”).

5. The Committee shall periodically review and oversee the administration of executive compensation and equity plans of the Company, and make recommendations to the Board as to administration and amendments thereto.

6. The Committee shall establish and periodically review policies concerning perquisite benefits.

7. The Committee shall periodically review the need for a Company policy regarding compensation paid to the Executive Officers in excess of limits deductible under Section 162(m) of the Code.

8. The Committee shall determine the Company’s policy with respect to change of control or “parachute” payments.

9. The Committee shall manage and review Executive Officer and Board indemnification and insurance matters.

10. The Committee shall prepare and approve the Compensation Committee report to be included as part of the Company’s annual proxy statement (the “Proxy Statement Report”).

11. The Committee shall review and discuss the CD&A with management and recommend to the Board whether such CD&A should be included in the Proxy Materials in accordance with applicable rules and regulations.

12. The Committee shall review the risks associated with the Company’s compensation programs to determine whether they encourage excessive risk-taking 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.

13. The Committee shall 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.

14. The Committee shall evaluate its own performance on an annual basis, including its compliance with this Charter, and provide any written material with respect to such evaluation to the Board, including any recommendations for changes in procedures or policies governing the Committee. The Committee shall conduct such evaluation and review in such manner as it deems appropriate.

15. The Committee shall review and reassess this Charter at least annually and submit any recommended changes to the Board for its consideration.

V. Delegation of Duties

The Committee may form and delegate authority to one or more subcommittees as it deems appropriate from time to time under the circumstances, including (1) a subcommittee consisting of a single member and (2) a subcommittee consisting of at least two members, each of whom qualifies as a “non-employee director” within the meaning of Rule 16b-3 promulgated under the Exchange Act and an “outside director” under the regulations promulgated under Section 162(m) of Code.