

AVEO PHARMACEUTICALS, INC.

COMPENSATION COMMITTEE CHARTER

A. Purpose

The purpose of the Compensation Committee of the Board of Directors (the “Board”) of AVEO Pharmaceuticals, Inc. (the “Company”) is to oversee the discharge of the responsibilities of the Board relating to compensation of the Company’s executive officers.

B. Structure and Membership

1. Number. The Compensation Committee shall consist of at least two members of the Board.
2. Independence. Except as otherwise permitted by the applicable NASDAQ rules, each member of the Compensation Committee shall be “independent” as defined by such rules.
3. Chair. The Board shall elect a Chair of the Compensation Committee by majority vote.
4. Compensation. The compensation of Compensation Committee members shall be as determined by the Board.
5. Selection and Removal. Members of the Compensation Committee shall be appointed by the Board, upon the recommendation of the Nominating and Corporate Governance Committee. The Board may remove members of the Compensation Committee from such committee, with or without cause.

C. Authority and Responsibilities

General

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

Compensation Matters

1. Executive Officer Compensation.
 - (a) CEO. The Compensation Committee shall review and recommend for approval by a majority of the independent directors serving on the Board the compensation

of the Company's Chief Executive Officer (the "CEO"), including without limitation, all equity awards granted under plans referenced in Section C(4), and any individual performance goals to be met, and the degree to which such goals are achieved by the CEO.

(b) Other Executives. Subject to (d) below, the Compensation Committee shall review and approve the compensation of the Company's other executive officers, including without limitation, all equity awards granted under plans referenced in Section C(4) and any individual performance goals to be met, and the degree to which such goals are achieved by the other executive officers; provided however, that the Compensation Committee may elect to have a majority of the independent directors serving on the Board approve such recommended compensation.

(c) Types of Compensation. In the case of (a) and (b) above, compensation shall include salary, bonus and incentive compensation levels; deferred compensation; executive perquisites; equity compensation (including awards to induce employment); severance arrangements; change-in-control benefits and other forms of executive officer compensation.

(d) Corporate Goals. The Compensation Committee shall also review and recommend for approval by a majority of the independent directors serving on the Board, the Company's corporate goals for, and the degree to which such corporate goals were achieved by the Company in any particular period.

(e) The Compensation Committee shall meet without the presence of executive officers when reviewing and discussing CEO compensation but may, in its discretion, invite the CEO to be present during the approval of, or deliberations with respect to, other executive officer compensation.

2. Evaluation of Senior Executives. The Compensation Committee shall be responsible for overseeing and preparing the evaluation of the Company's CEO. In addition, the Compensation Committee shall be responsible for overseeing and reviewing an evaluation of the Company's other senior executives to be prepared by the CEO. In conjunction with the Audit Committee in the case of the evaluation of the senior financial management, the Compensation Committee shall determine the nature and frequency of the evaluation of all of the Company's senior executives (including the CEO) and the persons subject to the evaluation (in the case of the Company's senior executives other than the CEO), and shall supervise the conduct of the evaluation of all of the Company's senior executives (including the CEO), to be discussed periodically with the Board.
3. Plan Recommendations and Approvals. The Compensation Committee shall periodically review and make recommendations to the Board with respect to incentive-compensation and equity-based plans that are subject to approval by the Board. In addition, in the case of any tax-qualified, non-discriminatory employee benefit plans (and any parallel nonqualified plans) for which stockholder approval

is not sought and pursuant to which options or stock may be acquired by officers, directors, employees or consultants of the Company, the Compensation Committee, or a majority of the independent directors serving on the Board, shall approve such plans.

4. Administration of Equity-Based Plans. The Compensation Committee shall exercise all rights, authority and functions of the Board under all of the Company's stock option, stock incentive, employee stock purchase and other equity-based plans, including without limitation, the authority to interpret the terms thereof, to grant options thereunder and to make stock awards thereunder; provided, however, that, except as otherwise expressly authorized to do so by this charter or a plan or resolution of the Board, the Compensation Committee shall not be authorized to amend any such plan. To the extent permitted by applicable law and the provisions of a given equity-based plan, and consistent with the requirements of applicable law and such equity-based plan, the Compensation Committee may delegate to one or more executive officers of the Company the power to grant options or other stock awards pursuant to such equity-based plan to employees of the Company or any subsidiary of the Company who are not directors or executive officers of the Company. The Compensation Committee shall approve any inducement awards granted in reliance on the exemption from shareholder approval contained in NASDAQ Rule 5635(c)(4).
5. Director Compensation. The Compensation Committee shall periodically review and make recommendations to the Board with respect to director compensation.
6. Review and Discussion of Compensation Discussion and Analysis; Recommendation to Board. The Compensation Committee shall review and discuss annually with management the Company's "Compensation Discussion and Analysis" required by Item 402(b) of Regulation S-K (the "CD&A"). The Compensation 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.
7. Compensation Committee Report. The Compensation Committee shall prepare the annual Compensation Committee Report required by Item 407(e)(5) of Regulation S-K.
8. Additional Powers. The Compensation Committee shall have such other duties as may be delegated from time to time by the Board.

D. Procedures and Administration

1. Meetings. The Compensation Committee shall meet as often as it deems necessary in order to perform its responsibilities. The Compensation Committee may also act by unanimous written consent in lieu of a meeting. The Compensation Committee shall keep such records of its meetings as it shall deem appropriate.
2. Subcommittees. The Compensation 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 Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder, 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 Compensation Committee shall report regularly to the Board.
4. Charter. The Compensation 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. Consultants, Legal Counsel and Other Advisors. The Compensation Committee shall have the authority, in its sole discretion, to retain, obtain the advice of, and terminate, any compensation consultant, legal counsel or other advisor as it deems necessary or appropriate to carry out its responsibilities. The Compensation Committee shall be directly responsible for the appointment, compensation and oversight of the work of any compensation consultant, legal counsel or other advisor retained by the Compensation Committee and shall have authority to approve the consultant’s, legal counsel’s or other advisor’s fees and other retention terms. The Compensation Committee shall also have authority to commission compensation surveys or studies as the need arises. The Compensation Committee is empowered, without further action by the Board, to cause the Company to pay the compensation of such consultants, legal counsel or other advisors as established by the Compensation Committee. The Compensation Committee may select, or receive advice from, a compensation consultant, legal counsel or other advisor only after taking into consideration the applicable factors affecting independence that are specified in NASDAQ Rule 5605(d)(3)(D).
6. Investigations. The Compensation 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 Compensation Committee or any advisors engaged by the Compensation Committee.

7. Annual Self-Evaluation. At least annually, the Compensation Committee shall evaluate its own performance.