

**NGP CAPITAL RESOURCES COMPANY**

**Compensation Committee Charter**

**ARTICLE 1**

**STATUS**

The Compensation Committee is a committee of the Board of Directors.

**ARTICLE 2**

**DEFINITIONS**

The following definitions shall for all purposes, unless otherwise clearly indicated to the contrary, apply to the terms used in this Compensation Committee Charter.

“Board” means the Board of Directors of the Fund.

“Committee” means the compensation committee appointed by the Board.

“Family member” includes a person’s spouse, parents, children and siblings, whether by blood, marriage or adoption, or anyone residing in such person’s home.

“Fund” means NGP Capital Resources Company, a Maryland corporation.

“Independent” means that the director:

- (a) Is not currently, and has not been at any time within the past three years, employed by the Fund, NGP Investment advisor, L.P., NGP Administration, LLC, or Natural Gas Partners, L.L.C., or any portfolio company of the Fund over which the Fund exercises a controlling influence over management or policies or of which the Fund owns beneficially, directly or indirectly, more than 25% of the voting securities.
- (b) Is not currently, and has not been at any time within the past three years, a partner or employee of a present or former auditor of the Fund or of an affiliate.
- (c) Is not an executive officer of another entity where at any time during the past three years any of the Fund’s executive officers serve on the compensation committee of such other entity.
- (d) Has not accepted any payments from the Fund or any parent or subsidiary of the Fund in excess of \$60,000 during any period of twelve consecutive months within the three years preceding the determination of independence, other than compensation for board or board committee service, payments arising solely from investments in the Fund’s securities, or benefits under a tax-qualified retirement plan or non-discretionary compensation.

- (e) Is not a partner in, controlling shareholder or an executive officer of any organization to which the Fund made, or from which the Fund received, payments for property or services in the current or any of the past three fiscal years that exceed 5% of the recipients consolidated gross revenues for that year, or \$200,000, whichever is more, other than (i) payments arising solely from investments in the Fund's securities or payments under non-discretionary charitable contribution matching programs.
- (f) Does not have a family member in any of the foregoing five categories.
- (g) Has no material relationship with the Fund.
- (h) Is not an "interested person," as defined in Section 2(a)(19) of the Investment Company Act of 1940, of the Fund.
- (i) Is a "Non-employee Director" for purposes of Rule 16b-3 under the Securities Exchange Act of 1934.
- (j) Satisfies the requirement of an "outside director" for purposes of Section 162(m) of the Internal Revenue Code.

"No material relationship" means that after considering all relevant facts and circumstances, the Board of the Fund has affirmatively determined that the director has no material commercial, industrial, banking, consulting, legal, accounting, charitable, familial, or other relationship (either directly or as a partner, shareholder, or officer of an organization that has a relationship with the Fund) with the Fund or a portfolio company of the Fund. Ownership of shares of the Fund shall not be a bar to an independence finding.

### **ARTICLE 3**

#### **ORGANIZATION AND MEMBERSHIP REQUIREMENTS**

The Committee shall be appointed by the Board and shall be comprised of at least three directors each of whom shall be Independent. The Board will designate one member of the Committee as its chairperson.

### **ARTICLE 4**

#### **AUTHORITY**

The Committee's creation and authority is derived directly from the Board. The Committee shall have the resources and authority appropriate to discharge its responsibilities, including authority to retain outside legal counsel or other experts or consultants to advise the Committee at the expense of the Fund.

The Committee may request any officer or employee of the Fund or the Fund's outside legal counsel to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee.

The Committee may seek outside expert advice to support its recommendations and decisions. The Committee shall have sole authority to retain and terminate any consulting firm to be used to assist in the evaluation of investment advisor, director, chief executive officer, or senior executive compensation, including sole authority to approve such firm's fees and other retention terms.

## **ARTICLE 5**

### **DUTIES AND RESPONSIBILITIES**

The Committee is directly responsible for:

- (a) reviewing and approving performance goals and objectives relative to the compensation of the Fund's investment advisor or, if the Fund ceases to have a separate investment adviser and directly compensates its executive officers, relative to the compensation of the Fund's Chief Executive Officer;
- (b) evaluating the performance of the Fund's investment advisor or Chief Executive Officer, as the case may be; and
- (c) together with the other independent directors of the Board, determining and approving the compensation of the Fund's investment advisor or Chief Executive Officer, as the case may be, based on the Committee's evaluation.

The Committee shall request and evaluate such information as the Committee shall consider to be reasonably necessary to evaluate the performance of the Fund's investment advisor.

In addition, the Committee:

- (a) if the Fund directly compensates its officers and employees, makes recommendations to the Board with respect to non-CEO compensation, incentive compensation plans, and equity-based plans;
- (b) periodically reviews director compensation and recommends any appropriate changes to the Board;
- (c) produces a report on the Fund's executive compensation practices and policies for inclusion in the Fund's proxy statement if required by applicable proxy rules and regulations; and
- (f) makes recommendations to the Board on the Fund's executive compensation practices and policies.

## **ARTICLE 6**

### **MEETINGS**

The Committee shall meet at least two times a year. The chairman of the Committee may call special meetings at any time. Personal written, personal telephonic, telegraphic, or facsimile transmission (confirmed by telephone) notice of any special meeting of the Committee shall be given to each member at least 24 hours prior to the time of the meeting. Any member may waive notice of a meeting.

The Committee shall meet periodically in separate executive sessions with management and as a committee to discuss any matters that the Committee or any of these persons believe should be discussed privately.

## **ARTICLE 7**

### **PROCEDURE; QUORUM**

The Committee shall choose a chairman, shall keep regular minutes of its proceedings and report the same to the Board when requested, shall fix its own rules or procedures, and shall meet at such times and at such place or places as may be provided by this charter or such rules, or by resolution of the Committee, or resolution of the Board. At every meeting of the Committee, the presence of a majority of all the members shall constitute a quorum and the affirmative vote of a majority of the members present shall be necessary for the adoption by the Committee of any resolution. Members of the Committee may participate in a meeting of the Committee by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other and such participation shall constitute presence in person and attendance at such meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened. If a quorum shall not be present at any meeting of the Committee, the members present thereat may adjourn the meeting from time to time, without notice other than the announcement at the meeting, until a quorum shall be present.

## **ARTICLE 8**

### **ACTION WITHOUT A MEETING**

Unless otherwise restricted by the Fund's Articles of Incorporation or Bylaws, any action required or permitted to be taken at any meeting of the Committee may be taken without a meeting if a written consent thereto is signed by all members of the Committee and such written consent is filed with the minutes of proceedings of the Committee. Such consent shall have the same force and effect as a unanimous vote at a meeting.

## **ARTICLE 9**

### **COMPENSATION**

Members of the Committee shall be paid such compensation for attending Committee meetings as shall be set by the Board from time to time.

## **ARTICLE 10**

### **ANNUAL REVIEW**

At least once each year the Committee and the Board shall:

- (a) Evaluate the performance of the Committee;
- (b) Review and reassess the adequacy of this charter and make appropriate changes;  
and
- (c) Confirm the independence of the members of the Committee.