

## Corporate Governance & Personnel Development (GPD) Charter

Natural Gas Services Group, Inc. (NGS)

Adopted April 26, 2007

The Board of Directors (BOD) are stewards of NGS. The primary responsibility of the Directors is to provide effective governance over NGS's affairs for the benefit of its stockholders. That responsibility includes promoting integrity, ethics, morality, and candor throughout the Company. In addition the responsibility includes being mindful of the importance of the shareholders, employees, and other stakeholders, and the environment. Directors also have responsibility for:

- Evaluating the performance of the Chief Executive Officer (CEO) and taking appropriate action, including removal, when warranted;
- Fixing the CEO's compensation for the next year based upon a recommendation from the Compensation Committee, and approving the CEO's recommendations for the compensation of other executive management employees. (The CEO will determine who is a executive manager, and will provide a list of executive managers to the Board)
- Reviewing succession plans and management development programs for members of executive management;
- Reviewing and approving long-term strategic and business plans and monitoring corporate performance against such plans;
- Adopting policies of corporate conduct, including compliance with applicable laws and regulations and maintenance of accounting, financial, disclosure and other controls, and reviewing the adequacy of compliance systems and controls;
- Appraising the company's major risks and overseeing risk management.
- Evaluating annually the overall effectiveness of the Board;
- Reviewing matters of corporate governance; and
- Being ever mindful of the importance of the shareholders, the employees, and the environment.

The Board has adopted this charter to assist in the exercise of its responsibilities. This charter is reviewed periodically and revised as appropriate to reflect the dynamic and evolving processes relating to the operation of the Board.

Below, the following subjects are discussed.

- Operation of the Board
- Board Structure
- Committees of the Board
- Other Board Practices

### Operation of the Board

1. **Chairman of the Board and CEO.** The CEO of NGS will also serve as the Chairman of the Board. The Chairman of the Board and CEO is responsible to the Board for the overall management and functioning of NGS.
2. **Attendance of Non-Directors at Board Meetings.** The Chief Financial Officer (CFO), if not a Board member, will be present during meetings, except where there is a specific reason for the CFO to be excluded. In addition, the Chairman of the Board is encouraged to invite one or more employees to attend Board meetings.
3. **Frequency of Board Meetings.** The Board will meet at least quarterly. Special meetings will be called as necessary. It is the responsibility of the Directors to attend the meetings.

4. **Board Access to Management.** Directors have open access to NGS's management, subject to reasonable time constraints. In addition, member(s) of NGS's executive management routinely attend Board meetings and they and other managers frequently brief the Board and the Committees on particular topics. The Board encourages executive management to bring managers into Board or Committee meetings and other scheduled events who (a) can provide additional insight into matters being considered or (b) represent managers with future potential whom executive management believe should be given exposure to the members of the Board.
5. **Board Access to Independent Advisors.** The Board has the authority to retain, set terms of engagement and dismiss such independent advisors, including legal counsel or other experts, as it deems appropriate, and to approve the fees and expenses of such advisors.
6. **Long-term Plans.** Long-term strategic and business plans will be reviewed at least annually.
7. **Agenda Items for Board Meetings.** The Chairman of the Board and CEO will prepare an agenda for each Board meeting. The Board members are free to suggest items for inclusion on the agenda and each Director is free to raise subjects that are not on the agenda at any Board meeting.
8. **Information Flow & Advance Review of Meeting Materials.** Directors will receive monthly financial statements, earnings reports, press releases, analyst reports and other information designed to keep them informed. It is each Director's responsibility to review the above documents.

### Board Structure

The majority of the members of the Board must be independent directors. See **Exhibit A** for a definition of independence. The definition of independence will be reviewed periodically by the Governance and Personnel Development (GPD) Committee. The Board should not exceed 9 members. Employee directors shall retire from the Board at the time they retire as employees, unless the Board wants that person to continue serving as a director.

1. **Annual Election of Directors.** As provided in NGS's by-laws, Directors are elected on a staggered basis for 3 year terms. The stagger will result in 3 classes of Directors. The classes will have near equal number of members and equal 3-year terms.
2. **Board Membership Criteria.** All candidates for outside Board positions must be independent. Candidates nominated for election or reelection to the Board of Directors should possess the following qualifications:
  - Personal characteristics:
    - a) highest personal and professional ethics, integrity and values;
    - b) an inquiring and independent mind; and
    - c) practical wisdom and mature judgment.
    - d) broad training and experience in business.
  - Expertise that is useful to NGS and complementary to the background and experience of other Board members.
  - Willingness to devote the required amount of time to carrying out the duties and responsibilities of Board membership.
  - Commitment to serve on the Board for several years to develop knowledge about NGS principal operations.
  - Willingness to represent the best interests of all stockholders and objectively appraise management performance.
  - Involved in activities and interests that do not create a conflict with the Director's responsibilities to NGS and its stockholders.
3. **Process for the Selection of New Directors.** The Board is responsible for filling vacancies on the Board that may occur between annual meetings of stockholders. By resolution passed at the Dec. 20<sup>th</sup>, 2005 BOD meeting the Board delegated to the Nominating Committee the duty of selecting and recommending

prospective nominees to the Board for approval. The Nominating Committee considers suggestions of candidates for Board membership made by current Committee and Board members, NGS management, and stockholders. A stockholder who wishes to recommend a prospective candidate should notify NGS' Corporate Secretary, as described in our proxy statement. The Nominating Committee also considers whether to nominate persons put forward by stockholders pursuant to NGS' by-laws relating to stockholder nominations. The Committee determines whether it will carry out a full evaluation of the candidate. This determination is based on the information provided to the Committee by the person recommending the prospective candidate. The Committee then evaluates the candidate and determines whether to interview the candidate. The Committee will carry out such an interview. Once the evaluation and interview are completed, the Committee nominates the candidate and forwards the nomination to the Board of Directors. The Board appoints, or nominates the candidate(s), as the case may be.

4. **Director Tenure.** The GPD Committee, in consultation with the CEO, will review each Director's continuation on the Board annually in making its recommendation to the Board concerning his or her nomination for election or reelection as a Director. There are no term limits on Directors' service.
5. **Director Retirement.** It is the policy of the Board that each outside Director shall retire from the Board immediately prior to the annual meeting of stockholders following his or her eightieth birthday. Employee Directors shall retire at the time of their retirement from NGS unless continued service as a Director is approved by the Board.
6. **"Outside Committee" to Evaluate Directors Compensation.** The Chairman will appoint an "Outside Committee" bi-annually, or upon request of a majority of the Outside Directors, to report to the Compensation Committee on the status of NGS Director compensation in relation to other companies of comparable size. The "Outside Committee" will recommend compensation changes to the Compensation Committee. The Compensation Committee, will, in turn recommend changes to the Board. The Board will vote on recommended compensation changes. The Board will act in the best interest of NGS' stakeholders.
7. **Conflicts of Interest.** If an actual or potential conflict of interest develops because of significant dealings or competition between NGS and a business with which the Director is affiliated, the Director should report the matter immediately to the Chairman of the Board for evaluation by the Board. A significant conflict must be resolved immediately or the Director should resign. If a Director has a personal interest in a matter before the Board, the Director shall disclose the interest to the full Board and excuse him or herself from participation in the discussion and shall not vote on the matter.
8. **Board Attendance at Annual Shareholders' Meeting.** It is the policy of the Board that all Directors attend the Annual Meeting of Stockholders and NGS annual proxy statement shall state the number of Directors who attended the prior year's Annual Meeting.

### Committees of the Board

1. A director is expected to participate actively in the meetings of each Committee to which he or she is appointed. A substantial portion of the analysis and work of the Board is done by Board Committees. The board of directors has established the following standing Committees:
  - Audit
  - Compensation
  - GPD
  - Nominating

Each Committee's charter is to be reviewed periodically by the respective Committee and the full Board. Committee Charters are attached hereto as Exhibits, to wit:

- Audit **Exhibit B**
- Compensation **Exhibit C**

**Composition of Committees.** It is the policy of the Board that only outside Directors serve on Board Committees.

1. **Assignment of Committee Members.** The GPD Committee, with direct input from the Chief Executive Officer, recommends annually to the Board the membership of the various Committees and their Chairmen. The Board approves the Committee assignments. In making its recommendations to the Board, the Committee takes into consideration the need for continuity; subject matter expertise; applicable SEC, IRS or NYSE requirements; tenure; and the desires of individual Board members.
2. **Frequency of Committee Meetings.** Each Committee shall meet at least quarterly. The schedule for regular meetings of the Board and Committees for each year is submitted and approved by the Board in advance. In addition, the Chairman of a Committee may call a special meeting at any time if deemed advisable.
3. **Committee Agendas.** The Committee Chairman will prepare an agenda for each Committee meeting. Each Committee member is free to suggest items for inclusion on the agenda and to raise, at any Committee meeting, subjects that are not on the agenda for that meeting.

#### **Other Board Practices**

1. **Director Orientation and Continuing Education.** Each new director will be furnished comprehensive information about NGS' business and operations; general information about the Board and its Committees, including a summary of Director compensation and benefits, and a review of Director duties and responsibilities.
2. **Board Interaction with Institutional Investors and Other Stakeholders.** It is the CEO's responsibility to speak for NGS. Individual Board members will not communicate with outside constituencies regarding any matter or issue.
3. **Stockholder Communications.** The CEO or his designee communicates with stockholders. The CEO will direct that NGS' web site includes a copy of this charter.
4. **Periodic Review of This Charter.** The operation of the Board of Directors is a dynamic and evolving process. Accordingly, this charter will be reviewed periodically by the GPD Committee and any recommended revisions will be submitted to the full Board for consideration.
5. **Annual Proxy Statement Disclosure.** As described below, entitled "Compensation and Compensation Committee Requirements," "Nomination of Directors and Nominating Committee Requirements" and "Audit Committee Requirements," the Board of Directors may appoint a non-independent director to serve on any of the compensation, nominating or audit committees, provided the Board of Directors under "exceptional and limited circumstances" determines that membership on the particular committee is required by the best interests of the company and its shareholders (subject also to other requirements as more fully described in this Alert). In this event, the company must disclose in its next annual meeting proxy statement (or in its next annual report on Form 10-K or equivalent, if the company does not file an annual proxy statement) following this determination, the nature of the relationship and the reason for such determination.
6. **Code of Conduct and Ethics.** NGS has adopted a code of business conduct and ethics. **Exhibit D.** The Code is publicly available and complies with the "code of ethics" definition set forth in Section 406© of Sarbanes-Oxley. The code provides for prompt internal reporting of violations of the code of conduct and ethics to the Chairman of the Audit Committee.
7. **Related Party Transactions.** All related party transactions must be subject to appropriate review and oversight by the CEO or the audit committee. **Exhibit H**

8. **Nepotism.** NGS executive management personnel will be mindful of nepotism (favoritism, as in giving jobs to relatives or close friends). Should an applicant for employment be related to or be a good friend of an NGS employee, the relationship, employment position, and other potential conflict-of-interest issues of both parties should be examined carefully by NGS' personnel department before the applicant is hired. Certain circumstances should preclude hiring an applicant, irrespective. For example, relatives or good friends of members of the executive management team should not be hired. Nor should two members of the executive management team be related. Likewise, relatives of Board members should not be employed by NGS.
9. **Whistleblower Policy.** NGS has adopted a Whistleblower Policy to provide a workplace conducive to open discussion of NGS' business practices. The policy prevents our employees from being discharged, demoted, suspended, threatened, harassed, or in any manner, discriminated against, as a result of an NGS employee providing information regarding what the employee perceives as improper conduct of any NGS employee or stakeholder. **Exhibit E**
10. **Notification of Non-Compliance.** The company will promptly notify AMEX after an executive officer becomes aware of any material non-compliance by the company with the applicable corporate governance requirements of the New AMEX Rules.
11. **Other Governance Changes.** NGS must provide a prompt announcement to the public of any changes in or vacancies on the Board of Directors. This report may require submitting a Form 8-K.
12. **Publication of Annual Report.** NGS is required to publish and furnish to its shareholders an annual report containing audited financial statements. The company must disclose in its annual report to security holders, for the year covered by the report: the number of unoptioned shares available at the beginning and at the close of the year for the granting of options statements prepared in conformity with the requirements of the SEC under an option plan; and any changes in the exercise price of outstanding options, through cancellation and reissuance or otherwise, except price changes resulting from the normal operation of anti-dilution provisions of the options. Three copies of the report must be filed with AMEX.
13. **Going Concern Qualifications.** If NGS receives an audit opinion from its independent auditor with a going concern qualification, NGS must make a public announcement through the news media disclosing the receipt of the qualified opinion. Prior to the release of the public announcement, NGS must provide the announcement to AMEX's StockWatch and Listing Qualifications Departments. NGS will make a public announcement as promptly as possible, but not more than seven calendar days after the filing of the audit opinion in a public filing with the SEC.
14. **Amex employees** are prohibited from being members of NGS' Board of Directors.
15. **The Corporate Governance Certification Form (Exhibit F)** will be submitted to the NYSE no later than 30 calendar days after NGS' annual shareholder's meeting. The form will be sent to:

NYSE Listing Qualifications  
86 Trinity Place  
NY, NY 1006-1872

Attn: Corporate Governance Certification

Questions regarding filling out the form should be directed to the Listing Qualifications Department; Phone 212 308-2703

Attachments:

Exhibit A	Criteria for Determining Director's Independence
Exhibit B	Audit Committee Charter
Exhibit C	Compensation Committee Charter
Exhibit D	Code of Business Conduct and Business Ethics
Exhibit E	Whistleblower Policy
Exhibit F	Corporate Governance Certification Form
Exhibit G	Sexual Harassment Policy

Exhibit H      Related Party Transactions

## Exhibit A to Corporate Governance Rules

### Definition of "Independent Director"

- a. A director who at any time during the past three years was employed by NGS or by any parent or subsidiary of NGS is not independent (other than prior employment as an interim Chairman or CEO.)
- b. A director who accepted or has a family member who accepted any payments from NGS, or any parent or subsidiary of NGS, in excess of \$60,000 during the current fiscal year or any of the past three fiscal years, other than certain permitted payments, is not independent. Permitted payments include:
- 1) Compensation for board or committee service;
  - 2) Payments resulting from investments in NGS's securities;
  - 3) Compensation to a family member who is a non-executive employee of NGS or a parent subsidiary of NGS;
  - 4) Compensation received for former service as an interim Chairman or CEO;
  - 5) Loans permitted under Section 13(k) of the Securities Exchange Act of 1934. These loans include extensions of credit which were outstanding as of July 30, 2002; provided that there are no material modifications to such loans. Also allowed are home improvement and manufactured home loans or any extension of credit under an open end credit plan or charge card, provided that such extensions of credit are made in the ordinary course of the consumer credit business of such issuer, of a type generally made available by such issuer to the public, and made by such issuer on market terms. Also allowed are loans made or maintained by an insured depository institution if the loan is subject to the insider lending restrictions of section 22(h) of the Federal Reserve Act.
- c. A director who is a family member of an individual who is, or at any time during the past three years was, employed by NGS or by a parent or subsidiary of NGS as an executive officer, is not independent.
- d. A director who is (or has a family member who is) a partner in, or a controlling shareholder or an executive officer of, any organization to which NGS made, or from which it received, payments for property or services in the current or any of the past three fiscal years that exceed the greater of 5 percent of the recipient's consolidated gross revenues for that year or \$200,000, other than certain "permitted payments," is not independent. "Permitted payments" are:
- 1) Payments resulting from investments in NGS's securities; and
  - 2) Payments under non-discretionary charitable contribution matching programs.
- e. A director who is or has a family member who is an executive officer of another entity is not independent if any executive officer of NGS has served on the compensation committee of that other entity at any time during the past three years.
- f. A director who is, or has a family member who is, a current partner of NGS's outside auditor, or was a partner or employee of NGS's outside auditor and worked on NGS's audit at any time during the past three years, is not independent.
- g. Exception to the three year "look-back" rules. With respect to independent directors who are not members of the Audit Committee, until November 30, 2004, the applicable "look-back" period is only one year rather than three years for the limitations noted in subparagraphs a. through f. above. With respect to independent directors who are members of the Audit Committee, until November 30, 2004, the applicable "look-back" period is only one year rather than three years for the limitations noted in subparagraphs b., e. and f. above.

# NATURAL GAS SERVICES GROUP, INC.

## Audit Committee Charter

### **A. Purpose**

The purpose of the Audit Committee is to assist the Board of Directors' oversight of:

- the integrity of the Company's financial statements;
- the Company's financial reporting process;
- the Company's compliance with legal and regulatory requirements;
- the independent auditor's qualifications and independence; and
- the performance of the Company's internal audit function and independent auditors.

### **B. Structure and Membership**

1. Number. The Audit Committee shall consist of at least three members of the Board of Directors.
2. Independence. Except as otherwise permitted by the applicable rules of the American Stock Exchange, each member of the Audit Committee shall be independent as defined by such rules.
3. Financial Literacy. Each member of the Audit Committee must be able to read and understand fundamental financial statements, including the Company's balance sheet, income statement, and cash flow statement, at the time of his or her appointment to the Audit Committee. In addition, at least one member must have past employment experience in finance or accounting, requisite professional certification in accounting, or any other comparable experience or background which results in the individual's financial sophistication, including being or having been a chief executive officer, chief financial officer or other senior officer with financial oversight responsibilities. Unless otherwise determined by the Board of Directors (in which case disclosure of such determination shall be made in the Company's annual report filed with the SEC), at least one member of the Audit Committee shall be an "audit committee financial expert" (as defined by applicable SEC rules).
4. Chair. Unless the Board of Directors elects a Chair of the Audit Committee, the Audit Committee shall elect a Chair by majority vote.
5. Compensation. The compensation of Audit Committee members shall be as determined by the Board of Directors. No member of the Audit Committee may receive, directly or indirectly, any consulting, advisory or other compensatory fee



from the Company or any of its subsidiaries, other than fees paid in his or her capacity as a member of the Board of Directors or a committee of the Board.

6. Selection and Removal. Members of the Audit Committee shall be appointed by the Board of Directors. The Board of Directors may remove members of the Audit Committee from such committee, with or without cause.

## C. **Authority and Responsibilities**

### **General**

The Audit Committee shall discharge its responsibilities, and shall assess the information provided by the Company's management and the independent auditor, in accordance with its business judgment. Management is responsible for the preparation, presentation, and integrity of the Company's financial statements and for the appropriateness of the accounting principles and reporting policies that are used by the Company. The independent auditors are responsible for auditing the Company's financial statements and for reviewing the Company's unaudited interim financial statements. The authority and responsibilities set forth in this Charter do not reflect or create any duty or obligation of the Audit Committee to plan or conduct any audit, to determine or certify that the Company's financial statements are complete, accurate, fairly presented, or in accordance with generally accepted accounting principles or applicable law, or to guarantee the independent auditor's report.

### **Oversight of Independent Auditors**

1. Selection. The Audit Committee shall be solely and directly responsible for appointing, evaluating, retaining and, when necessary, terminating the engagement of the independent auditor. In its evaluation of the independent auditor, the Audit Committee shall present its conclusions with respect to the independent auditor to the full Board of Directors. The Audit Committee shall also, with respect to its review of the independent auditor, review and evaluate the lead partner and other senior members of the independent auditor. The Audit Committee shall take into account the opinions of management and the Company's internal auditors. The Audit Committee may, in its discretion, seek stockholder ratification of the independent auditor it appoints.
2. Independence. The Audit Committee shall take, or recommend that the full Board of Directors take, appropriate action to oversee the independence of the independent auditor. In connection with this responsibility, the Audit Committee shall obtain and review a formal written statement from the independent auditor describing all relationships between the independent auditor and the Company, including the disclosures required by Independence Standards Board Standard No. 1. The Audit Committee shall actively engage in dialogue with the independent auditor concerning any disclosed relationships or services that might impact the objectivity and independence of the auditor.

Additional Independence Procedures. The Audit Committee shall:

- confirm the regular rotation of the lead audit partner and reviewing partner as required by Section 203 of the Sarbanes-Oxley Act;
  - confirm that the CEO, controller, CFO (or other persons serving in similar capacities) were not employed by the independent auditor, or if employed, did not participate in any capacity in the audit of the Company, in each case, during the one-audit-year period preceding the date of initiation of the audit, as required by Section 206 of the Sarbanes-Oxley Act; and
  - annually consider whether, in order to assure continuing auditor independence, there should be regular rotation of the independent audit firm.
4. Quality Control Review. Obtain and review a report from the independent auditor at least annually regarding (a) the auditor's internal quality-control procedures, (b) any material issues raised by the most recent quality-control review, or peer review, of the firm, (c) any steps taken to deal with any such issues, and (d) all relationships between the independent auditor and the Company. Evaluate the qualifications, performance and independence of the independent auditor, including considering whether the auditor's quality controls are adequate and whether the types of non-audit services provided are compatible with maintaining the auditor's independence.
  5. Compensation. The Audit Committee shall have sole and direct responsibility for setting the compensation of the independent auditor. The Audit Committee is empowered, without further action by the Board of Directors, to cause the Company to pay the compensation of the independent auditor established by the Audit Committee. As part of its evaluation of compensation for the independent auditor, the Audit Committee shall compare the fees paid for audit services to those paid by peer companies as a means of assessing whether the scope of audit work is sufficient.
  6. Preapproval of Services. The Audit Committee shall preapprove all audit services to be provided to the Company, whether provided by the principal auditor or other firms, and all other services (review, attest and non-audit) to be provided to the Company by the independent auditor; provided, however, that de minimis non-audit services may instead be approved in accordance with applicable SEC rules.
  7. Oversight. The independent auditor shall report directly to the Audit Committee, and the Audit Committee shall have sole and direct responsibility for overseeing the work of the independent auditor, including resolution of disagreements between Company management and the independent auditor regarding financial reporting. In connection with its oversight role, the Audit Committee shall, from time to time as appropriate, receive and consider the reports required to be made by the independent auditor regarding:

- critical accounting policies and practices;
- alternative treatments within generally accepted accounting principles for policies and practices related to material items that have been discussed with Company management, including ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditor; and
- other material written communications between the independent auditor and Company management.

### **Audited Financial Statements**

8. Review and Discussion. The Audit Committee shall review and discuss with the Company's management and independent auditor the Company's audited financial statements, including the matters about which Statement on Auditing Standards No. 61 (Codification of Statements on Auditing Standards, AU §380) requires discussion and the disclosure under "Management's Discussion and Analysis of Financial Condition and Results of Operations."
9. Recommendation to Board Regarding Financial Statements. The Audit Committee shall consider whether it will recommend to the Board of Directors that the Company's audited financial statements be included in the Company's Annual Report on Form 10-KSB.
10. Audit Committee Report. The Audit Committee shall prepare an annual committee report for inclusion where necessary in the proxy statement of the Company relating to its annual meeting of security holders.

### **Review of Other Financial Disclosures**

11. Independent Auditor Review of Interim Financial Statements. The Audit Committee shall direct the independent auditor to use its best efforts to perform all reviews of interim financial information prior to disclosure by the Company of such information and to discuss promptly with the Audit Committee and the Chief Financial Officer any matters identified in connection with the auditor's review of interim financial information which are required to be discussed by applicable auditing standards. The Audit Committee shall direct management to advise the Audit Committee in the event that the Company proposes to disclose interim financial information prior to completion of the independent auditor's review of interim financial information.
12. Earnings Release and Other Financial Information. The Audit Committee shall discuss generally the types of information to be disclosed in the Company's earnings press releases, as well as in financial information and earnings guidance provided to analysts, rating agencies and others.

13. Quarterly Financial Statements. The Audit Committee shall discuss with the Company's management and independent auditor the Company's quarterly financial statements, including the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations."

#### **Controls and Procedures**

14. Oversight. The Audit Committee shall coordinate the Board of Directors' oversight of the Company's internal controls over financial reporting, the Company's disclosure controls and procedures and the Company's code of conduct. The Audit Committee shall receive and review the reports of the CEO and CFO required by Section 302 of the Sarbanes-Oxley Act of 2002 (and the applicable rules thereunder) and Rule 13a-14 of the Exchange Act.
15. Procedures for Complaints. The Audit Committee shall establish procedures for (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters; and (ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.
16. Related-Party Transactions. The Audit Committee shall review all related party transactions on an ongoing basis, and all such transactions must be approved by the Audit Committee.
17. Additional Powers. The Audit Committee shall have such other duties as may be delegated from time to time by the Board of Directors.

#### **D. Procedures and Administration**

1. Meetings. The Audit Committee shall meet as often as it deems necessary in order to perform its responsibilities; provided, however, that the Audit Committee shall meet at least quarterly. The Audit Committee may also act by unanimous written consent in lieu of a meeting (except for its required quarterly meetings.) The Audit Committee shall keep such records of its meetings as it shall deem appropriate.
2. Reports to Board. The Audit Committee shall report regularly to the Board of Directors.
3. Charter. At least annually, the Audit Committee shall review and reassess the adequacy of this Charter.
4. Independent Advisors. The Audit Committee is authorized, without further action by the Board of Directors, to engage such independent legal, accounting and other advisors as it deems necessary or appropriate to carry out its responsibilities. Such independent advisors may be the regular advisors to the Company. The Audit Committee is empowered, without further action by the Board of Directors,

to cause the Company to pay the compensation of such advisors as established by the Audit Committee.

5. Investigations. The Audit 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 Audit Committee or any advisors engaged by the Audit Committee.
6. Funding. The Audit Committee is empowered, without further action by the Board of Directors, to cause the Company to pay the ordinary administrative expenses of the Audit Committee that are necessary or appropriate in carrying out its duties.
7. Annual Self-Evaluation. At least annually, the Audit Committee shall evaluate its own performance and report its findings to the Board of Directors.

**COMPENSATION COMMITTEE  
CHARTER  
OF  
NATURAL GAS SERVICES GROUP, INC.**

**Authority**

- The Board, by resolution dated February 12, 2002, established the Compensation Committee.

**Purpose**

The Compensation Committee, in order to assist the Board in the discharge of its fiduciary responsibilities relating to the fair and competitive compensation of the executives and other key employees of the Company, and in connection with the pension and employee welfare plans, shall:

- Review and approve the Company's compensation philosophy;
- Review and approve the executive compensation programs, plans and awards;
- Administer the Company's short-and long-term incentive plans and other stock or stock-based plans;
- Issue an annual report on executive compensation in accordance with applicable rules and regulations of the Securities and Exchange Commission for inclusion in the Company's proxy statement; and
- Review and approve general employee pension benefit plans of the Company and other benefit plans on an as-needed basis.

**Duties & Responsibilities**

**Executive Compensation**

The Committee will:

- Periodically review the Company's philosophy regarding executive compensation and counsel the CEO as to different compensation approaches.
- Annually review market data to assess the Company's competitive position for the three components of executive compensation (base salary; annual incentives; and long-term incentives). Market data may include, among other things, executive compensation surveys compiled

by third-party consultants or others in the natural gas compression industry, and supplemental general industry compensation information.

- Periodically review and approve Stock Ownership Guidelines.
- Administer and make recommendations to the Board regarding the adoption, amendment or rescission of incentive compensation plans and stock-related plans (including specific provisions) in which the CEO and other senior executives and key employees may be participants, including:
  - approving option guidelines and general size of overall grants
  - making grants
  - interpreting the plans
  - determining rules and regulations relating to the Plans
  - modifying or canceling existing grants
  - designating employees eligible to participate in the long-term incentive plans
  - imposing limitations, restrictions and conditions upon any award as the Committee deems appropriate
- Assure the total compensation paid to the Company's principal officers and other key employees is reasonable.
- Assure that any payments under the long-term incentive plans are in conformance with any restrictions placed thereon by the Board and shareholders.
- Review recommendations made by the CEO for the compensation of the Company's principal executives and other key employees.
- Annually issue a report on executive compensation in accordance with applicable rules and regulations of the Securities and Exchange Commission for inclusion in the Company's proxy statement.

### **CEO Compensation**

Short-term Compensation. Annually, the Committee will:

- review and approve appropriate goals and objectives for the next year, which are then discussed with the entire Board;
- evaluate the performance of the CEO in meeting those goals and objectives

- with input from the full Board at year end; and
- approve the compensation level of the CEO based upon this evaluation.

Long-term compensation. Annually, the Committee will:

- review and approve the long-term incentive award for the CEO;
- consider the performance of the Company and relative total shareholder return;
- consider the value of such awards granted to other CEO's in the natural gas compression industry and in other industries in general; and
- consider the number of stock options and common stock units granted in prior years.

### **Review the general employee pension and employee welfare benefit plans**

The Committee will:

- discharge the ultimate fiduciary responsibilities that reside with the Board for pension and employee welfare plans as defined by the Employee Retirement Income Security Act of 1974 ("ERISA") sponsored by the Company and all majority owned domestic subsidiaries and render appropriate reports to the Board;
- annually review the fiduciary responsibility report of the Benefit Plans Investment Committee; and
- annually review the Plan Administrator's fiduciary responsibility report on Welfare and Pension Plans.

### **Membership**

- The committee will have a minimum of three directors.
- All Committee members shall meet the definitions of (i) a "non-employee director" within the meaning of Rule 16b-3 promulgated under the Securities Exchange Act of 1934, as amended, and (ii) an "outside director" within the meaning of Section 162(m) of the Internal Revenue Code of 1986, as amended.
- *Section 162(m) of IRC defines a director as an "outside director" if the director is not a current or former employee of the company and if the director does not receive significant direct or indirect compensation in any capacity other than as director. Rule 16b-3 of the Exchange Act defines a "non-employee director" as a person who: is not currently an officer of the company (or a parent or subsidiary of the company); does not receive significant direct or indirect compensation*



*from the company for any services performed other than services, as a director; and has no interest in any significant transactions or business relationship with the company.*

- The Board will appoint the Committee members and a Chairman.
- The Board may fill vacancies on the Committee.
- The Board may remove a Committee member from the membership of the Committee at any time with or without cause.

**Consultants:** The Committee shall have authority to retain consultants of its selection to advise it with respect to the Company's salary and incentive compensation and benefits program.

## **CODE OF BUSINESS CONDUCT AND ETHICS**

### **I. Purpose**

This Code of Business Conduct and Ethics (this "Code") provides a general statement of Natural Gas Services Group, Inc.'s (the "Company") expectations regarding the ethical standards that each director, officer and employee should adhere to while acting on behalf of the Company. Each director, officer and employee is expected to read and become familiar with the ethical standards described in this Code and may be required, from time to time, to affirm his or her agreement to adhere to such standards by signing the Compliance Certificate that appears at the end of this Code.

### **II. Administration**

The Company's Board of Directors is responsible for setting the standards of business conduct contained in this Code and updating these standards as it deems appropriate to reflect changes in the legal and regulatory framework applicable to the Company, the business practices within the Company's industry, the Company's own business practices, and the prevailing ethical standards of the communities in which the Company operates. While the Company's Chief Executive Officer will oversee the procedures designed to implement this Code to ensure that they are operating effectively, it is the individual responsibility of each director, officer and employee of the Company to comply with this Code.

### **III. Compliance with Laws, Rules and Regulations**

The Company will comply with all laws and governmental regulations that are applicable to the Company's activities, and expects that all directors, officers and employees acting on behalf of the Company will obey the law. Specifically, the Company is committed to:

- maintaining a safe and healthy work environment;
- promoting a workplace that is free from discrimination or harassment based on race, color, religion, sex or other factors that are unrelated to the Company's business interests;
- supporting fair competition and laws prohibiting restraints of trade and other unfair trade practices;
- conducting its activities in full compliance with all applicable environmental laws;
- keeping the political activities of the Company's directors, officers and employees separate from the Company's business;
- prohibiting any illegal payments to any government officials or political party representatives of any country; and

- complying with all applicable state and federal securities laws.
- Not committing fraud

Directors, officers and employees are prohibited from illegally trading the Company's securities while in possession of material, nonpublic ("inside") information about the Company. The Company's Insider Trading Policy, which describes the nature of inside information and the related restrictions on trading, is attached to and shall be deemed a part of this Code.

#### **IV. Conflicts of Interest**

A "conflict of interest" occurs when an individual's private interest interferes in any way or even appears to interfere with the interests of the Company as a whole. A conflict situation can arise when an employee, officer or director takes actions or has interests that may make it difficult to perform his or her Company work objectively and effectively. Conflicts also arise when an employee, officer or director, or a member of his or her family, receives improper personal benefits as a result of his or her position in the Company.

Directors, officers and employees should not be involved in any activity which creates or gives the appearance of a conflict of interest between their personal interests and the Company's interests. In particular, no director, officer or employee shall:

- be a consultant to, or a director, officer or employee of, or otherwise operate an outside business:
  - that markets products or services in competition with the Company's current or potential products and services;
  - that supplies products or services to the Company; or
  - that purchases products or services from the Company;
- have any financial interest, including stock ownership, in any such outside business that might create or give the appearance of a conflict of interest;
- seek or accept any personal loan or services from any such outside business, except from financial institutions or service providers offering similar loans or services to third parties under similar terms in the ordinary course of their respective businesses;
- be a consultant to, or a director, officer or employee of, or otherwise operate an outside business, if that business in any way, interferes with the director's, officer's, or employee's responsibilities with the Company
- accept any personal loan or guarantee of obligations from the Company.

- conduct business on behalf of the Company with immediate family members, which include spouses, children, parents, siblings and persons sharing the same home whether or not legal relatives; or
- use the Company's property, information or position for personal gain.

The appearance of a conflict of interest may exist if an immediate family member of a director, officer or employee of the Company is a consultant to, or a director, officer or employee of, or has a significant financial interest in, a competitor, supplier or customer of the Company, or otherwise does business with the Company.

Directors and officers shall notify the Board of Directors of the Company and employees who are not directors or officers shall notify their immediate supervisor of the existence of any actual or potential conflict of interest.

## **V. Confidentiality; Protection and Proper Use of the Company's Assets**

Directors, officers and employees shall maintain the confidentiality of all information entrusted to them by the Company or its suppliers, customers or other business partners, except when disclosure is authorized by the Company or legally required.

Confidential information includes (1) information marked "Confidential," "Private ... .. For Internal Use Only," or similar legends, (2) technical or scientific information relating to current and future products, services or research, (3) business or marketing plans or projections, (4) earnings and other internal financial data, (5) personnel information, (6) supply and customer lists and (7) other non-public information that, if disclosed, might be of use to the Company's competitors, or harmful to the Company or its suppliers, customers or other business partners.

To avoid inadvertent disclosure of confidential information, directors, officers and employees shall not discuss confidential information with or in the presence of any unauthorized persons, including family members and friends.

Directors, officers and employees are personally responsible for protecting those Company assets that are entrusted to them and for helping to protect the Company's assets in general.

Directors, officers and employees shall use the Company's assets for the Company's legitimate business purposes only.

## **VI. Fair Dealing**

The Company is committed to promoting the values of honesty, integrity and fairness in the conduct of its business and sustaining a work environment that fosters mutual respect, openness and individual integrity. Directors, officers and employees are expected to deal honestly and fairly with the Company's customers, suppliers, competitors and other third parties. To this end, directors, officers and employees shall not:

- make false or misleading statements to customers, suppliers or other third parties;
- make false or misleading statements about competitors;
- solicit or accept from any person that does business with the Company, or offer or extend to any such person,
  - cash of any amount; or
  - gifts, gratuities, meals or entertainment that could influence or reasonably give the appearance of influencing the Company's business relationship with that person or go beyond common courtesies usually associated with accepted business practice;
- solicit or accept any fee, commission or other compensation for referring customers to third-party vendors; or
- otherwise take unfair advantage of the Company's customers or suppliers, or other third parties, through manipulation, concealment, abuse of privileged information or any other unfair-dealing practice.

## **VII. Corporate Opportunities**

Employees, officers and directors should be prohibited from:

- taking for themselves personally opportunities that are discovered through the use of corporate property, information or positions;
- using corporate property, information, or position for personal gain; and
- competing with the Company.

Employees, officers and directors owe a duty to the Company to advance its legitimate interests when the opportunity to do so arises.

## **VIII. Accurate and Timely Periodic Reports**

The Company is committed to providing investors with full, fair, accurate, timely and understandable disclosure in the periodic reports that it is required to file. To this end, the Company shall:

- comply with generally accepted accounting principles at all times;
- maintain a system of internal accounting controls that will provide reasonable assurances to management that all transactions are properly recorded;

- maintain books and records that accurately and fairly reflect the Company's transactions;
- prohibit the establishment of any undisclosed or unrecorded funds or assets;
- maintain a system of internal controls that will provide reasonable assurances to management that material information about the Company is made known to management, particularly during the periods in which the Company's periodic reports are being prepared; and
- present information in a clear and orderly manner and avoid the use of legal and financial jargon in the Company's periodic reports.

## **IX. Reporting and Compliance Procedures**

Every employee, officer and director has the responsibility to ask questions, seek guidance, report suspected violations and express concerns regarding compliance with this Code. Any employee, officer or director who knows or believes that any other employee or representative of the Company has engaged or is engaging in Company-related conduct that violates applicable law or this Code should report such information to his or her supervisor or to the Company's Audit Committee, as described below. You may report such conduct openly or anonymously without fear of retaliation. The Company will not discipline, discriminate against or retaliate against any employee who reports such conduct, unless it is determined that the report was made with knowledge that it was false. Any supervisor who receives a report of a violation of this Code must immediately inform the Audit Committee.

You may report violations of this Code, on a confidential or anonymous basis, by contacting the Company's Audit Committee by fax, mail or e-mail at.

Toll free number: 1 800 238 1973 or E-mail direct to: [gstrasheom@aol.com](mailto:gstrasheom@aol.com)

Or U.S. mail to:           Gene Strasheim  
  
                                  165 Huntington Pl.  
  
                                  Colorado Springs, CO 80906

While we prefer that you identify yourself when reporting violations so that we may follow up with you, as necessary, for additional information, you may leave messages anonymously if you wish.

If the Audit Committee receives information regarding an alleged violation of this Code, the Committee shall, as appropriate, (a) evaluate such information, (b) if the alleged violation involves an executive officer or a director, inform the Chief Executive Officer and Board of Directors of the alleged violation, (c) determine whether it is necessary to conduct an informal inquiry or a formal investigation and, if so, initiate such inquiry or

investigation and (d) report the results of any such inquiry or investigation, together with a recommendation as to disposition of the matter, to the Chief Executive Officer for action, or if the alleged violation involves an executive officer or a director, report the results of any such inquiry or investigation to the Board of Directors. Employees, officers and directors are expected to cooperate fully with any inquiry or investigation by the Company regarding an alleged violation of this Code. Failure to cooperate with any such inquiry or investigation may result in disciplinary action, up to and including discharge.

The Company shall determine whether violations of this Code have occurred and, if so, shall determine the disciplinary measures to be taken against any employee who has violated this Code. In the event that the alleged violation involves an executive officer or a director, the Chief Executive Officer and the Board of Directors, respectively, shall determine whether a violation of this Code has occurred and, if so, shall determine the disciplinary measures to be taken against such executive officer or director. If the violation involves the Chief Executive Officer, the Board of Directors shall determine whether a violation of this Code has occurred and, if so, shall determine the disciplinary measures to be taken against him or her. If the Chief Executive Officer is also a Director, then he or she shall not participate or be present in any meeting of the Board of Directors concerning a violation of this Code by such person.

Failure to comply with the standards outlined in this Code will result in disciplinary action including, but not limited to, reprimands, warnings, probation or suspension without pay, demotions, reductions in salary, discharge and restitution. Certain violations of this Code may require the Company to refer the matter to the appropriate governmental or regulatory authorities for investigation or prosecution. Moreover, any supervisor who directs or approves of any conduct in violation of this Code, or who has knowledge of such conduct and does not promptly report it, also will be subject to disciplinary action, up to and including discharge.

## **X. Dissemination and Amendment**

This Code shall be distributed to each new employee, officer and director of the Company upon commencement of his or her employment or other relationship with the Company and shall also be **distributed annually** to each employee, officer and director of the Company, and each employee, officer and director shall certify that he or she has received, read and understood the Code and has complied with its terms.

The Company reserves the right to amend, alter or terminate this Code at any time for any reason.

## **XI. Waivers**

The provisions of this Code may be waived for directors or executive officers only by a resolution of the Company's Board of Directors. The provisions of this Code may be waived for employees who are not directors or executive officers by the employee's immediate supervisor. If the supervisor agrees that an exception is appropriate, the approval of the Company's Chief Executive Officer must be obtained. Any waiver of this

Code granted to a director or executive officer will be publicly disclosed as required by the American Stock Exchange, including the filing of a Current Report on Form 8-K with the Securities and Exchange Commission.



## COMPLIANCE CERTIFICATE

I have read and understand the Company's Code of Business Conduct and Ethics (the "Code"). I will adhere in all respects to the ethical standards described in the Code. I further confirm my understanding that any violation of the Code will subject me to appropriate disciplinary action, which may include demotion or discharge.

I certify to the Company that I am not in violation of the Code, unless I have noted such violation in a signed Statement of Exceptions attached to this Compliance Certificate.

Date:

\_\_\_\_\_  
Name:

Position:

Check one of the following:

A Statement of Exceptions is attached.

No Statement of Exceptions is attached.

**NATURAL GAS SERVICES GROUP, INC.,  
WHISTLEBLOWER AND NONRETALIATION POLICY**

We are committed to providing a workplace conducive to open discussion of our business practices. It is our policy to comply with all applicable laws that protect our employees against unlawful discrimination or retaliation by any of our officers, employees, contractors, subcontractors or agents as a result of one of our employees taking certain actions. Specifically, our policy prevents any of our employees from being discharged, demoted, suspended, threatened, harassed or in any other manner discriminated against in the employee's terms and conditions of employment:

- (i) as a result of the employee providing information, causing information to be provided or otherwise assisting in an investigation regarding any conduct that the employee reasonably believes involves a violation of the items noted in a through c below:  
or
- (ii) filing, causing to be filed, testifying, participating in, or otherwise assisting in a proceeding filed or about to be filed relating to an alleged violation of:
  - a. federal criminal law relating to securities fraud, mail fraud, bank fraud, or wire, radio and television fraud, or
  - b. any rule or regulation of the Securities, and Exchange Commission, or
  - c. any provision of Federal law relating to fraud against shareholders,

where, with respect to investigations, such information or assistance is provided to or the investigation is being conducted by a Federal regulatory or law enforcement agency, a member of Congress or any committee of Congress, or one of our persons with supervisory or similar authority over the employee.

. However, employees who file reports or provide evidence which they know to be false or without reasonable belief in the truth and accuracy of such information will not be protected by the above policy statement and may be subject to disciplinary action, including termination of their employment. In addition, except to the extent required by law, we do not intend this Policy to protect employees who violate the confidentiality of any applicable lawyer-client privilege to which we or our agents may be entitled under statute or common law principles, or to protect employees who violate their confidentiality obligations with regard to our trade secret information. Employees considering providing information that may violate these privileges or reveal trade secrets are advised to consult an attorney before doing so.

We have designated a Compliance Officer who is responsible for administering this Policy. The Compliance Officer is responsible for receiving, collecting, reviewing, processing and resolving concerns and reports by employees and others on the matter described above and other similar matters. Employees are encouraged to discuss issues and concerns of the type covered by this Policy with their supervisor, who is in turn responsible for informing the Compliance Officer of any concerns raised. If the employee prefers not to discuss these

sensitive matters with his or her own supervisor, the employee may instead discuss such matters with the Compliance Officer. The Compliance Officer will refer complaints submitted, as he or she determines to be appropriate, as required under the directives of the Board of Directors (or a Committee of the Board) or as required by applicable law, to the Board or an appropriate Committee of the Board.

The Company's Compliance Officer is Gene Strasheim, Audit Committee Chair, who may be reached by telephone at (800) 238-1973, after dialing access code 44, or by email at gstrasheim@aol.com.

In addition, we have established a procedure by which confidential concerns involving questionable accounting or auditing matters may be raised anonymously. Attached as Exhibit A to this Policy is a description of this confidential procedure. Concerns submitted through this confidential process that involve questionable accounting or auditing matters will be presented to our Audit Committee at its next upcoming regularly-scheduled meeting or earlier, if appropriate. An employee may utilize this confidential procedure either to raise a new concern or to report directly to the Audit Committee if he or she feels that a concern previously raised with a supervisor or the Compliance Officer has not been appropriately handled. Our Audit Committee has final responsibility and authority for the investigation and handling of any concerns relating to accounting and auditing practices.

If it is determined that an employee has experienced any improper employment action in violation of this Policy, such employee will be entitled to appropriate corrective action.

## **EXHIBIT A**

## **TO WHISTLEBLOWER AND NONRETALIATION POLICY FOR EMPLOYEES WHO REPORT VIOLATIONS OF LAW**

The following means of communication can be used to reach the Compliance Officer. All communications will be kept confidential and the employee may remain anonymous.

- A.) Toll free telephone number direct to Compliance Officer  
dial 1-800-238-1973, code 44.
- B.) E-mail direct to Compliance Officer - [gstrasheim@aol.com](mailto:gstrasheim@aol.com)
- C.) U.S. Mail to Compliance Officer:  
Gene Strasheim  
165 Huntington Place  
Colorado Springs, CO 80906

### **Investigation and Response**

The Audit Committee will oversee the receipt and handling of concerns relating to questionable accounting or auditing matters, including directing an appropriate investigation and response. Based on its investigation, the Audit Committee will direct us to take prompt and appropriate corrective action in response to the concern if necessary to ensure compliance with legal and ethical requirements relating to our accounting and audit matters. If the Audit Committee determines that a particular concern is not covered by this Policy, it will refer the concern to the Chief Executive Officer for appropriate handling and response.

### **Confidentiality**

Concerns relating to questionable accounting or audit matters will be kept confidential to the extent possible consistent with the Audit Committee's obligation to investigate and correct unlawful or unethical accounting or audit matters. In order to ensure confidentiality, an employee may elect to raise a concern anonymously.

Questions about this policy should be directed to the Chair of the Audit Committee.

## **DESCRIPTION OF RESPONSIBILITIES OF COMPLIANCE OFFICER UNDER OUR WHISTLEBLOWER AND NONRETALIATION POLICY FOR**

## EMPLOYEES WHO REPORT VIOLATIONS OF LAW

We will appoint an individual who is responsible for administering our Whistleblower and Nonretaliation Policy (the "Policy"). This person is referred to as the "Compliance Officer." The Compliance Officer will report directly to the Audit Committee of our Board of Directors on matters arising under the Policy and this Description of Responsibilities.

The Compliance Officer's responsibilities under the Policy include:

- Administering, implementing and overseeing ongoing compliance under the Policy.
- Establishing and administering procedures to assure that employee complaints will be collected, reviewed promptly (including if appropriate through an independent investigation into the issues raised), resolved in an appropriate manner, and that documents related to such matters will be retained in accordance with our Policy.
- Making himself or herself available to discuss with employees any complaints raised.
- With respect to employee concerns relating to questionable accounting or auditing matters, establishing and administering procedures that enable employees to submit concerns in a confidential and anonymous manner.
- With respect to complaints from employees or non-employees received by us relating to our accounting, internal accounting controls or auditing matters, establishing and administering procedures to assure that such complaints will be collected, reviewed promptly, treated or resolved in an appropriate manner, and retained. **The Compliance Officer will present any such complaints received by us to the Audit Committee of the Board of Directors.**
- Administering and overseeing our training and educational programs designed to ensure that our employees with supervisory authority with respect to other employees, or who are otherwise involved in the administration of our policies, are aware of the Policy, know to involve the Compliance Officer in any matters involving the Policy that arise (including informing the Compliance Officer of every complaint that arises), and are trained in the proper handling of employee complaints covered by the Policy.

To ensure that the persons responsible for preparing and reviewing our public filings and other public disclosures are made aware of complaints involving our accounting, internal accounting controls or auditing matters made by employees or by others, the Compliance Officer will present to such persons at least once per quarter either a copy or a summary of each complaint received.

## INTERNAL PROCEDURES OF THE AUDIT COMMITTEE

The Audit Committee has established internal procedures for the receipt, retention and treatment of complaints relating to accounting, internal accounting controls and auditing

matters, and to ensure appropriate and prompt investigation and response to issues raised concerning our accounting, internal accounting controls and auditing matters.

1. The Audit Committee has established the following methods for receipt of complaints:
  - a. Toll free telephone number direct to Compliance Officer dial 1-800238-1973, code 44.
  - b. E-mail direct to Compliance Officer - [gstrasheim@aol-com](mailto:gstrasheim@aol-com)
  - c. U.S. Mail to Compliance Officer:  
Gene Strasheim  
165 Huntington Place  
Colorado Springs, CO 80906
2. Gene Strasheim (the "Investigating Member") has been designated by the Audit Committee to receive and respond to complaints in the first instance.
3. All communications received through the reporting methods will be directed to the Investigating Member.
4. The Investigating Member will determine whether the complaint falls within the scope of responsibility of the Audit Committee relating to financial and accounting matters. If the complaint is not within the scope of these procedures, the Investigating Member will inform any employee making the complaint (if known) to use other procedures to address the complaint. The Investigating Member should also forward any complaint it determines is not covered by these procedures to the CEO of the Company or the Chairman of the Board of Directors, as appropriate.
5. The Investigating Member may consult with independent counsel in his/her discretion to obtain advice regarding follow up on any complaint or concern.
6. The Investigating Member on behalf of the Audit Committee may request information from any source in connection with the investigation of a complaint. Employees will be required to provide information as requested by the Investigating Member and will be informed of our policy against retaliation as described in our Whistleblower and Nonretaliation Policy.
7. The Investigating Member may engage third parties (e.g., investigative staff, accounting firm, legal counsel) to assist with the investigation of any complaints regarding our internal accounting controls or auditing matters or concerns regarding questionable accounting or auditing matters.
8. The Audit Committee shall determine the action to be taken in the event that the investigation of any complaint or concern indicates that corrective action is appropriate. The Investigating Member shall report to the Audit Committee at each regularly scheduled meeting regarding the complaints and concerns received since the last meeting and the current status of any open complaints or concerns.

A special meeting of the Audit Committee may be called to discuss any complaint or concern or to determine appropriate follow up action with respect to any report.

9. When feasible, the Investigating Member shall report back to any employee who has raised a complaint or concern (if known) regarding the results of the investigation and any corrective action taken, if providing such information will not interfere with the rights of the other employees or with any ongoing criminal or civil investigation.
10. A confidential log shall be maintained by the Audit Committee of all complaints and concerns received. The log shall include the substance of each complaint or concern, the date of its receipt, the source of the complaint or concern if known, a description of the findings of any investigation made in connection with the complaint or concern, and a description of any corrective action taken. All Audit Committee records (including all records of the Investigating Member) relating to any complaint or concern shall be maintained confidentially by the Audit Committee for a period of at least seven years following the final disposition of the complaint or concern.

These procedures are intended to be general guidelines only. The Audit Committee may deviate from these guidelines in specific cases as it determines appropriate based on the facts and circumstances of any particular complaint or concern.