

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549  
FORM 8-K**

**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

**Date of Report (Date of Earliest Event Reported): January 29, 2024**

**NATURAL GAS SERVICES GROUP, INC.**

**Colorado**  
(State or Other Jurisdiction  
of Incorporation)

(Exact Name of Registrant as Specified in Charter)  
**1-31398**

**75-2811855**

(Commission File Number)

(IRS Employer Identification No.)

**404 Veterans Airpark Lane, Suite 300  
Midland, TX 79705**

(Address of Principal Executive Offices)

**(432) 262-2700**

(Registrant's Telephone Number, Including Area Code)

**N/A**

(Former Name or Former Address if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b)).
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c)).

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, Par Value \$0.01	NGS	NYSE

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

**Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.**

On January 29, 2024, the Company entered into an employment agreement (the “**Employment Agreement**”) with Justin C. Jacobs, age 49, pursuant to which Mr. Jacobs was appointed Chief Executive Officer of the Company, effective February 12, 2024, at which time Stephen C. Taylor, the Company’s Interim Chief Executive Officer, will retire although he will provide certain transition services pursuant to his previously announced retirement agreement. Both Messrs. Jacobs and Taylor will continue to serve on the Company’s Board of Directors with Mr. Taylor continuing as Chairman of the Board.

The following is a summary of the material features of the Employment Agreement and is qualified in its entirety by reference to the full text of it, a copy of which is filed as Exhibit 10.1 to this Report.

**Base Salary.** Mr. Jacobs’s initial annual base salary is \$525,000 (“**Base Salary**”) and will be reviewed at least annually by the Company’s Compensation Committee (“**Committee**”). The Company does not have any obligation to increase or decrease the Base Salary.

**Signing Bonus.** In connection with the execution of the Employment Agreement, the Company will pay Mr. Jacobs a cash signing bonus of \$30,000 and grant Mr. Jacobs a performance stock unit (“PSU”) award valued at \$100,000. The PSU will vest based on total shareholder return metrics to be set by the Compensation Committee. The PSU vesting is also subject to Mr. Jacobs’s continuous employment with the Company and other customary provisions to be set forth in an award agreement under the Company’s 2019 Equity Incentive Plan.

**Annual Cash Bonus.** Mr. Jacobs will have the opportunity to earn incentive compensation in the form of an annual cash bonus based on performance thresholds and metrics established by the Compensation Committee (“**Annual Bonus**”). For 2024, the target amount is 100% of his Base Salary, pro-rated for the number of days employed in 2024.

**Annual Equity Compensation.** During his employment, Mr. Jacobs will be eligible to participate in the Company’s 2019 Equity Incentive Plan, or any successor plan. For calendar year 2024, Mr. Jacobs will receive a restricted stock unit (“RSU”) award valued at 100% of Base Salary and a PSU award valued at 100% of Base Salary, both awards subject to proration as provided in the Employment Agreement. The RSU vests in three equal annual installments beginning on the first anniversary of the effective date of the Employment Agreement. The PSU will vest based on total shareholder return metrics to be set by the Compensation Committee. Both of the RSU and PSU award are subject to Mr. Jacobs’s continuous employment with the Company and other customary provisions to be set forth in an award agreement under the Company’s 2019 Equity Incentive Plan.

**Benefits.** The Company will provide Mr. Jacobs retirement and other employee benefits as are customarily provided to similarly situated executives of the Company, including paid vacation, coverage under the Company’s medical plan and reimbursement for all reasonable business expenses in accordance with the Company’s expense reimbursement policy.

**Term and Termination.** Mr. Jacob’s employment is at-will. The Company or Mr. Jacobs may terminate the Agreement at any time upon written notice.

**Effect of Termination: Severance.**

Except with respect to a change of control in the Company, if Mr. Jacobs’s employment is terminated by the Company (A) without cause (as defined in the Employment Agreement) or (B) if Mr. Jacobs terminates his employment with good reason (as defined in the Employment Agreement), the Employment Agreement provides that he will receive (i) payment in a lump sum of accrued but unpaid salary and vacation time, (ii) any earned but unpaid bonus for any completed calendar year preceding the date of termination, (iii) unreimbursed business expenses and (iv) any such other benefits (including equity compensation) to which he may be entitled to under any employee benefit plan as of the date of termination (collectively, the “**Accrued Amounts**”). In addition, provided Mr. Jacobs executes a mutually agreed release of all claims in favor of the Company (the “**Release**”) he will receive a severance payment of (I) a prorated amount of the Annual Bonus that would be earned as calculated using the “target” thresholds and bonus formula set by the Compensation Committee for the year in which termination of employment occurs, such proration based on the number of days worked in the current year; (II) one (1) times his Base Salary and Annual Bonus at target for the year in which termination occurs; (III) accelerated vesting for all unvested RSUs; and (IV) a pro rata number of shares or other compensation underlying the unvested PSUs based on the target award that would otherwise have vested at the end of the performance period as set forth in the award agreement. In addition, the Company will pay COBRA continuation coverage for up to twelve (12) months following his termination.

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In connection with a change of control of the Company, Mr. Jacobs will be entitled to the Accrued Amounts plus, provided he executes the Release, the same severance amounts described in subparts (I) – (IV) in the paragraph above, except the amount under subpart (II) shall be two (2) times his Base Salary and Annual Bonus at target during the year of termination. In addition, the Company will pay COBRA continuation coverage for up to twelve (12) months following his termination.

In the event of a termination of employment in the case of death or disability, Mr. Jacobs will be entitled to the Accrued Amounts plus (i) a prorated amount of cash bonus that would be earned as calculated using the “target” thresholds and bonus formula set by the Compensation Committee for the year in which termination of employment occurs and (ii) a pro rata number of shares or other compensation underlying the unvested PSUs based on the target award that would otherwise have vested at the end of the performance period as set forth in the award agreement.

In the event of a termination of employment (i) by the Company for cause or (ii) by Mr. Jacobs without good reason, Mr. Jacobs will be entitled to the Accrued Amounts but will not be entitled to any severance.

Clawbacks. Mr. Jacobs’s incentive compensation is subject to the Company’s Clawback Policy which is consistent with requirements of the New York Stock Exchange.

Non-Compete and Other Agreements.

In connection with the Employment Agreement, Mr. Jacobs also executed a Non-Compete Agreement and Proprietary Rights Agreement that contain customary non-compete, confidentiality and non-solicitation provisions, along with proprietary rights ownership of work product in favor of the Company.

The non-compete provision prohibit Mr. Jacobs from engaging in competitive activity in a defined geographic area for a period of either (i) 12 months immediately following the termination of his employment connection with a termination by Mr. Jacobs for Good Reason or by the Company without Cause, or (ii) 24 months immediately following the termination of employment with the Company in connection with a termination by Mr. Jacobs without Good Reason or by the Company with Cause. The non-solicitation provisions prohibit Mr. Jacobs from soliciting for employment any employee of the Company or any person who was an employee of the Company. This prohibition applies while Mr. Jacobs is employed by the Company and for the same applicable period of time as the non-compete provision after termination of his employment.

Prior to Mr. Jacobs’ employment with the Company, most recently he was a Managing Director and a member of the management committee of Mill Road Capital Management LLC, where we worked since 2005. Mill Road Capital Management is an investment firm focused on investments in small, publicly traded companies. From 1999 to 2004, Mr. Jacobs was employed at LiveWire Capital, an investment and management group backed primarily by The Blackstone Group and Thomas Lee Partners that focused on operationally intensive buyouts of middle market companies. While employed at LiveWire, he held various operational positions in numerous portfolio companies, including interim Chief Operating Officer, in addition to investment responsibilities. Before joining LiveWire, Mr. Jacobs was an investment professional in the private equity group at The Blackstone Group from 1996 to 1999. Mr. Jacobs is currently a member of the Board of Directors of Swiss Water Decaffeinated Coffee, Inc. He previously served as a member of the Boards of Directors of several public companies, including Ecology and Environment, Inc., Galaxy Nutritional Foods, Inc., National Technical Systems, Inc., and School Specialty, Inc., as well as numerous private companies, including Lignetics, Inc., Mother’s Market & Kitchen, Inc., PRT Growing Services LTD and Rubios Restaurants, Inc. Mr. Jacobs holds a B.S. from the McIntire School of Commerce at the University of Virginia with concentrations in accounting and finance.

**Item 8.01 Other Events**

On February 1, 2024, the Company issued a press release announcing the appointment of Mr. Jacobs as its Chief Executive Officer. A copy of this press release is filed herewith as Exhibit 99.1 and is hereby incorporated by reference.

The press release filed herewith as Exhibit 99.1 is being furnished and shall not be deemed to be “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to liability under that section, and it shall not be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended (the “Securities Act”), or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits.

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The following exhibits are included with this Current Report on Form 8-K:

<b>Exhibit No.</b>	<b>Description</b>
<a href="#">10.1</a>	Employment Agreement between Justin C. Jacobs and Natural Gas Services Group, Inc. dated January 29, 2024.
<a href="#">10.2</a>	Employee Non-Compete Agreement between Justin C. Jacobs and Natural Gas Services Group, Inc. dated January 29, 2024.
<a href="#">10.3</a>	Employee Proprietary Rights Agreement between Justin C. Jacobs and Natural Gas Services Group, Inc. dated January 29, 2024.
<a href="#">99.1</a>	Press Release dated February 1, 2024
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**NATURAL GAS SERVICES GROUP, INC.**

Date:  
February 1, 2024

By: /s/ Stephen C. Taylor  
Stephen C. Taylor  
Interim Chief Executive Officer

*Execution Copy***EMPLOYMENT AGREEMENT**

This Employment Agreement (the “**Agreement**”) is made and entered into as of January 29, 2024 (the “**Agreement Date**”), by and between Justin C. Jacobs (the “**Executive**”) and Natural Gas Services Group, Inc., a Colorado corporation (the “**Company**”).

## RECITALS

WHEREAS, the Company desires to employ the Executive on the terms and conditions set forth herein; and

WHEREAS, the Executive desires to be employed by the Company on such terms and conditions.

NOW, THEREFORE, in consideration of the mutual covenants, promises, and obligations set forth herein, the parties agree as follows:

1. **Term.** The Executive's term of employment hereunder is at-will and shall commence on February 12, 2024 and continue until terminated under Section 5 of this Agreement. The period during which the Executive is employed by the Company hereunder is hereinafter referred to as the “**Employment Term.**”

2. **Position and Duties.**

1.1 **Position.** During the Employment Term, the Executive shall serve as the Chief Executive Officer of the Company, reporting to the Board of Directors of the Company (the “**Board**”). In such position, the Executive shall have such duties, authority, and responsibilities as are consistent with the Executive's position.

1.2 **Duties.** During the Employment Term, the Executive shall devote substantially all of the Executive's business time and attention to the performance of the Executive's duties hereunder and will not engage in any other business, profession, or occupation for compensation or otherwise which would conflict or interfere with the performance of such services either directly or indirectly without the prior written consent of the Board. Prior to execution of this Agreement, Executive has disclosed in writing to the Company any such conflicts that exist at the time of execution.

3. **Place of Performance.** The principal place of Executive's employment shall be the Company's principal executive office, currently located in Midland, Texas.

4. **Compensation.**

1.1 **Base Salary.** The Company shall pay the Executive an annual rate of base salary of \$525,000 in periodic installments in accordance with the Company's customary payroll practices and applicable wage payment laws, but no less frequently than monthly. The Executive's base salary shall be reviewed at least annually by the Compensation Committee of the Board (the “**Compensation Committee**”) during the Employment Term. The Executive's annual base salary, as in effect from time to time, is hereinafter referred to as “**Base Salary.**”

1.2 **Annual Bonus.**

(a) For each calendar year ending during the Employment Term, the Executive shall be eligible to receive an annual bonus (the “**Annual Bonus**”) in accordance with the Company's Annual Incentive Bonus Plan (the “**Bonus Plan**”), or any successor plan applicable to the Company's executive officers. The terms of the Annual Bonus shall be determined by the Compensation Committee and approved by the Compensation Committee or the Independent Members of the Board.

(b) Except as otherwise provided in Section 5, (i) the Annual Bonus will be subject to the terms of the Bonus Plan under which it is granted and (ii) in order to be eligible to receive an Annual Bonus, the Executive must be employed by the Company on the last day of the applicable calendar year. For calendar year 2024, Executive's cash bonus at "Target" as established by the Compensation Committee, shall be 100% of Base Salary and shall be prorated for the number of days employed in 2024.

(c) The Annual Bonus shall be paid in cash unless the Executive otherwise agrees.

1.3 Equity Awards. The Executive shall be eligible to participate in the Company's 2019 Equity Incentive Plan, or any successor plan (the "**Equity Plan**"), subject to the terms of such Equity Plan and such other terms determined by the Board or the Compensation Committee, in its discretion, and reflected in the applicable award agreement accompanying each award under the Equity Plan (each an "**Award Agreement**"). For calendar year 2024, Executive will receive, on the Agreement Date (also referred to herein as the "**Award Date**") a restricted stock unit ("**RSU**") award valued at 100% of Base Salary and a performance stock unit ("**PSU**") award valued at 100% of Base Salary, both awards prorated for the number of days remaining in 2024 from the Award Date.

(a) RSU Award. The number of RSUs awarded will be determined by dividing the value of the RSU award by the closing sale price of one share of the Company's common stock as reported on the New York Stock Exchange on the Award Date and then prorated by multiplying the number of days remaining in 2024 from the Award Date divided by 365 (the "**2024 RSU Award**"). The 2024 RSU Award will vest in one-third annual installments beginning on the first anniversary of the Award Date and be subject to such other terms as set forth in the Award Agreement.

(b) PSU Award. The opportunity to earn a number of PSUs awarded for 2024 (the "**2024 PSU Award**") will be determined by dividing the value of the PSU award by the closing sale price of one share of the Company's common stock as reported on the New York Stock Exchange on the Award Date and then prorated by multiplying the number of days remaining in 2024 from the Award Date divided by 365. The 2024 PSU Award shall be set forth in an Award Agreement, and the number of shares underlying the award shall vest in the amounts set forth in the Award Agreement.

1.4 Signing Bonus. The Executive will also receive the following:

(a) A one-time cash bonus of \$30,000 in the first regular payroll after reporting for full time employment.

(b) A one-time PSU grant of \$100,000, calculated in a similar method to the 2024 PSU Award (with no pro ration) and shall be set forth in an Award Agreement in the form substantially similar to the agreement attached hereto as Exhibit A, and the number of shares underlying the award shall vest in the amounts set forth in the Award Agreement.

1.5 Fringe Benefits and Perquisites. During the Employment Term, the Executive shall be entitled to fringe benefits and perquisites consistent with those provided to similarly situated executives of the Company.

1.6 Employee Benefits. During the Employment Term, the Executive shall be entitled to participate in all employee benefit plans, practices, and programs maintained by the Company, as in effect from time to time (collectively, "**Employee Benefit Plans**"), on a basis which is no less favorable than is provided to other similarly situated executives of the Company, to the extent consistent with applicable law and the terms of the applicable Employee Benefit Plans. The Company reserves the right to amend or terminate any Employee Benefit Plans at any time in its sole discretion, subject to the terms of such Employee Benefit Plan and applicable law.

1.7 Vacation; Paid Time Off. During the Employment Term, the Executive shall be entitled to four weeks of paid vacation days per calendar year (prorated for partial years) in accordance with the

Company's vacation policies, as in effect from time to time. The Executive shall receive other paid time off in accordance with the Company's policies for executive officers as such policies may exist from time to time and as required by applicable law. In compliance with Company policy, vacation shall be taken during the year that it is awarded and shall not be carried-over or accrued beyond the current year.

1.8 Business Expenses. The Executive shall be entitled to reimbursement for all reasonable and necessary out-of-pocket business, entertainment, and travel expenses incurred by the Executive in connection with the performance of the Executive's duties hereunder in accordance with the Company's expense reimbursement policies and procedures.

1.9 Indemnification. The Company shall indemnify and hold the Executive harmless to the fullest extent permitted by law, subject to applicable law and the Company's Bylaws, for acts and omissions in the Executive's capacity as an officer and employee of the Company.

1.10 Clawback Provisions. Any amounts payable under this Agreement (other than Sections 4.1 and 4.4(a)) are subject to any policy (whether in existence as of the Agreement Date or later adopted) established by the Company providing for clawback or recovery of amounts that were paid to the Executive. The Company will make any determination for clawback or recovery in its sole discretion and in accordance with any applicable law or regulation.

5. Termination of Employment. In addition to the rights of the parties set forth herein, the Employment Term and the Executive's employment hereunder may be terminated after the Agreement Date by either the Company or the Executive at any time and for any reason or for no particular reason; provided that, unless otherwise provided herein, either party shall be required to give the other party at least thirty (30) days advance written notice of any termination of the Executive's employment. Upon termination of the Executive's employment during the Employment Term, the Executive shall be entitled to the compensation and benefits described in this Section 5 and shall have no further rights to any compensation or any other benefits from the Company or any of its affiliates.

1.1 By Company For Cause or By Executive Without Good Reason.

(a) The Executive's employment hereunder may be terminated by the Company for Cause or by the Executive without Good Reason and the Executive shall be entitled to receive:

(i) any accrued but unpaid Base Salary and accrued but unused vacation/paid time off which shall be paid within six calendar days following the date of the Executive's termination, or at the next regular pay period following the date of the Executive's resignation;

(ii) any earned but unpaid Annual Bonus with respect to any completed calendar year immediately preceding the date of the Executive's termination, which shall be paid on the otherwise applicable payment date except to the extent payment is otherwise deferred pursuant to any applicable deferred compensation arrangement; provided that, if the Executive's employment is terminated by the Company for Cause, then the Executive understands and acknowledges that any such earned but unpaid Annual Bonus shall be forfeited;

(iii) reimbursement for unreimbursed business expenses properly incurred by the Executive, which shall be subject to and paid in accordance with the Company's expense reimbursement policy; and

(iv) such employee benefits (including equity compensation), if any, to which the Executive may be entitled under the Company's employee benefit plans as of the date of the Executive's termination; provided that, in no event shall the Executive be entitled to any payments in the nature of severance or termination payments except as specifically provided herein.

Items 5.1(a)(i) through 5.1(a)(iv) are referred to herein collectively as the "**Accrued Amounts**."

(b) For purposes of this Agreement, "**Cause**" shall mean:



- illness);
- (i) the Executive's willful failure to perform the Executive's duties (other than any such failure resulting from incapacity due to physical or mental illness);
  - (ii) the Executive's willful failure to comply with any valid and legal directive of the Board;
  - (iii) the Executive's engagement in dishonesty, illegal conduct, or misconduct, which is, in each case, injurious to the Company or its affiliates, as reasonably determined by the Board;
  - (iv) the Executive's embezzlement, misappropriation, or fraud, whether or not related to the Executive's employment with the Company;
  - (v) the Executive's conviction of or plea of guilty or nolo contendere to a crime that constitutes a felony (or state law equivalent) or a crime that constitutes a misdemeanor involving moral turpitude;
  - (vi) the Executive's material violation of the Company's written policies or codes of conduct, including written policies related to discrimination, harassment, performance of illegal or unethical activities, and ethical misconduct;
  - (vii) the Executive's material breach of any material obligation under this Agreement or any other written agreement between the Executive and the Company; or
  - (viii) the Executive's engagement in conduct that brings or is reasonably likely to bring the Company negative publicity or into public disgrace, embarrassment, or disrepute.

For purposes of this provision, none of the Executive's acts or failures to act shall be considered "willful" unless the Executive (i) acts in bad faith or without reasonable belief that the action was in the best interests of the Company, or (ii) fails to act in bad faith or without reasonable belief that the failure to act was in the best interests of the Company. The Executive's actions, or failures to act, based upon authority given pursuant to a resolution duly adopted by the Board or upon the advice of counsel for the Company shall be conclusively presumed to be in good faith and in the best interests of the Company.

Except for a failure, breach, or refusal which, by its nature, cannot reasonably be expected to be cured, the Executive shall have 10 business days from the delivery of written notice by the Company within which to cure any acts constituting Cause.

(c) For purposes of this Agreement, "**Good Reason**" shall mean the occurrence of any of the following, in each case during the Employment Term without the Executive's prior written consent:

- (i) a material diminution in the Executive's duties, responsibilities, or authority (including without limitation a change in reporting directly to the Company's Board of Directors or failure by the Company to properly nominate the Executive for election to the Board in the Company's annual proxy materials whenever the Executive's term is expiring);
- (ii) a material reduction in the Executive's Base Salary, other than a general reduction in Base Salary that affects all similarly situated executives in substantially the same proportions, or a material reduction in the Target Levels (as a percent of Base Salary) for the Annual Bonus, RSU, or PSU awards as stated in this Agreement, other than a general reduction in such amounts that affects all similarly situated executives in substantially the same proportions;

- (iii) a relocation of the Executive's principal place of employment by more than 100 miles; or
- (iv) any material breach by the Company of any material provision of this Agreement.

To terminate the Executive's employment for Good Reason, the Executive must provide written notice to the Company of the existence of the circumstances providing grounds for termination for Good Reason within 30 days of the initial existence of such grounds and the Company must have at least 30 days from the date on which such notice is provided to cure such circumstances. If the Executive does not terminate the Executive's employment for Good Reason within 60 days after the first occurrence of the applicable grounds, then the Executive will be deemed to have waived the Executive's right to terminate for Good Reason with respect to such grounds.

1.2 Termination by Company Without Cause or Termination by Executive for Good Reason. The Employment Term and the Executive's employment hereunder may be terminated by the Executive for Good Reason or by the Company without Cause. In the event of such termination, the Executive shall be entitled to receive the Accrued Amounts and subject to the Executive's compliance with Section 6 of this Agreement and the Executive's execution, within 21 days following receipt, of a release of claims in favor of the Company, its affiliates and their respective officers and directors in a form provided by the Company (the "**Release**"), the Executive shall be entitled to receive the following:

- (a) equal installment payments payable in accordance with the Company's normal payroll practices, but no less frequently than monthly, which are in the aggregate equal to 12 months of the Executive's Base Salary and Annual Bonus at target for the year in which the date of the Executive's termination occurs, which shall begin upon the lapse of any and all legal revocation period relating to the Release and continue until the 1st anniversary of the Executive's date of termination;
- (b) any Annual Bonus that would be earned as calculated using the "target" thresholds and bonus formula set by the Compensation Committee for the year in which termination of employment occurs, calculated on a prorated basis by taking the number of days from January 1 of that year to the termination date divided by 365, payable in equal installment payments payable in accordance with the Company's normal payroll practices, but no less frequently than monthly, which shall begin upon the lapse of any and all legal revocation period relating to the Release and continue until the 1st anniversary of the Executive's date of termination;
- (c) all RSUs awarded to the Executive that remain unvested shall automatically vest as of the date of termination;
- (d) Executive will be entitled to receive a pro rata number of shares or other compensation underlying the unvested PSUs based on the Target Award that would otherwise have vested at the end of the Performance Period as set forth in the Award Agreement. The timing of settlement of the vested award shall be as set forth in the Award Agreement.;
- (e) Any unpaid and owing amounts, including salary and including accrued vacation not taken in the current vacation year; and
- (f) If the Executive timely and properly elects health continuation coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985 ("**COBRA**"), the Company shall reimburse the Executive for the monthly COBRA premium paid by the Executive for the Executive and the Executive's dependents. Such reimbursement shall be paid to the Executive no later than the 15<sup>th</sup> day of the month immediately following the month in which the Executive timely remits the premium payment and proof thereof. The Executive shall be eligible to receive such reimbursement until the earliest of: (i) the 12-month anniversary of the date of the Executive's termination; (ii) the date the Executive is no longer eligible to receive COBRA continuation coverage; or (iii) the date on which the Executive becomes eligible to receive health insurance coverage from another employer or other source. Notwithstanding the foregoing, if the Company's making payments under this Section 5.2(f) would violate the nondiscrimination rules applicable to non-grandfathered, insured group health

plans under the Affordable Care Act (the “ACA”), or result in the imposition of penalties under the ACA and the related regulations and guidance promulgated thereunder, the parties agree to reform this Section 5.2(f) in a manner as is necessary to comply with the ACA.

1.3 Change of Control. If within 18 months following the occurrence of a Change in Control (as defined in the Equity Plan) the Executive’s employment by the Company is terminated according to Section 5.2, the Executive shall receive all of the benefits listed in Section 5.2 as well as the following:

(a) An additional year of Base Salary plus Annual Bonus at target, calculated and paid in the same manner as described in Section 5.2(a); and

(b) all unvested PSU awards to the Executive shall vest to the extent that such PSUs would otherwise have vested in accordance the applicable Award Agreement under the assumption that the end of the Performance Period (as defined in the Award Agreement) is the date of the closing of such Change in Control; provided, however that the minimum number of unvested PSUs that shall vest will be not less than the Target Award. The timing of settlement of the vested award shall be as set forth in the Award Agreement.

1.4 Death or Disability.

(a) The Executive’s employment hereunder shall terminate automatically upon the Executive’s death during the Employment Term, and the Company may terminate the Executive’s employment on account of the Executive’s Disability.

(b) If the Executive’s employment is terminated during the Employment Term on account of the Executive’s death or Disability, the Executive (or the Executive’s estate and/or beneficiaries, as the case may be) shall be entitled to receive the Accrued Amounts in accordance with Section 5.1. as well as the amounts and/or benefits under Sections 5.2(b), 5.2(d), and 5.2(e).

(c) For purposes of this Agreement, “**Disability**” shall mean the Executive’s inability, due to physical or mental incapacity, to perform the essential functions of the Executive’s job, with or without reasonable accommodation, for one hundred twenty (120) consecutive days. Any question as to the existence of the Executive’s Disability as to which the Executive and the Company cannot agree shall be determined in writing by a qualified independent physician mutually acceptable to the Executive and the Company. The determination of Disability made in writing to the Company and the Executive shall be final and conclusive for all purposes of this Agreement. During the 120-day period noted above, any material diminution in the Executive’s duties, responsibilities, or authority shall not be considered a Good Reason event under Section 5.1(c).

1.5 Settlement of RSUs and PSUs. In connection with the vesting of any RSUs or PSUs pursuant to this Section 5, the timing of the issuance of Company shares or payment of other consideration shall be subject to the settlement provisions of the applicable Award Agreement and the Equity Plan.

1.6 Notice of Termination. Any termination of the Executive’s employment hereunder by the Company or by the Executive during the Employment Term (other than termination pursuant to Section 5.3(a) on account of the Executive’s death) shall be communicated by written notice of termination (“**Notice of Termination**”) to the other party hereto in accordance with Section 17. The Notice of Termination shall specify:

(a) the termination provision of this Agreement relied upon;

(b) if notice of termination is provided by the Company, then a written notice of termination is to be sent to the Executive at any time and with or without reason; and

(c) if notice of termination is provided by the Executive, then the Executive understands and agrees as a courtesy to send a 30-day written termination notice prior to his intended last day of employment to the Company's Board of Directors.

1.7 Resignation of All Other Positions. Upon termination of the Executive's employment hereunder for any reason, the Executive shall be deemed to have resigned from all positions that the Executive holds as an officer or member of the Board (or a committee thereof) of the Company or any of its affiliates.

6. Confidential Information and Restrictive Covenants. As a condition of the Executive's employment with the Company, the Executive shall enter into and abide by the Company's Employee Non-Compete Agreement and Proprietary Rights Agreement.

7. Arbitration/Prevailing Party Recovery of Attorney's Fees. Any dispute, controversy, or claim arising out of or related to the Executive's employment by the Company, or termination of employment, including but not limited to claims arising under or related to this Agreement or any breach of this Agreement, and any alleged violation of federal, state, or local statute, regulation, common law, or public policy, shall be submitted to and decided by binding arbitration. Arbitration shall be administered exclusively by the American Arbitration Association and shall be conducted in the county of the Company's principal executive office consistent with the rules of the American Arbitration Association in effect at the time the arbitration is commenced. Any arbitral award determination shall be final and binding upon the parties. The Parties agree that the prevailing party of the Arbitration shall recover its or his attorney's fees.

8. Governing Law, Jurisdiction, and Venue. This Agreement, for all purposes, shall be construed in accordance with the laws of Texas without regard to conflicts of law principles. Any action or proceeding by either of the parties to enforce this Agreement shall be brought only in a state or federal court located in the state and county of the Company's principal executive office. The parties hereby irrevocably submit to the exclusive jurisdiction of such courts and waive the defense of inconvenient forum to the maintenance of any such action or proceeding in such venue.

9. Stock Ownership Requirements. During the Employment Term, the Executive shall be expected to comply with the Company's stock ownership guidelines, as same may be amended from time to time by the Company.

10. Entire Agreement. Unless specifically provided herein, this Agreement, together with the Employee Non-Compete Agreement and Proprietary Rights Agreement, contains all of the understandings and representations between the Executive and the Company pertaining to the subject matter hereof and supersedes all prior and contemporaneous understandings, agreements, representations and warranties, both written and oral, with respect to such subject matter.

11. Modification and Waiver. No provision of this Agreement may be amended or modified unless such amendment or modification is agreed to in writing and signed by the Executive and by the Chairperson of the Compensation Committee of the Board. No waiver by either of the parties of any breach by the other party hereto of any condition or provision of this Agreement to be performed by the other party hereto shall be deemed a waiver of any similar or dissimilar provision or condition at the same or any prior or subsequent time.

12. Severability. Should any provisions of this Agreement be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provisions hereof, and if such provision or provisions are not modified as provided above, this Agreement shall be construed as if such invalid, illegal, or unenforceable provisions had not been set forth herein.

13. Captions. Captions and headings of the sections and paragraphs of this Agreement are intended solely for convenience and no provision of this Agreement is to be construed by reference to the caption or heading of any section or paragraph.

14. Counterparts. This Agreement may be executed in separate counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

15. Section 409A.

1.1 General Compliance. This Agreement is intended to comply with Section 409A of the Code and the treasury regulations promulgated thereunder (“**Section 409A**”) or an exemption thereunder and shall be construed and administered in accordance with such intent.

1.2 Notwithstanding any other provision of this Agreement, payments provided under this Agreement may only be made upon an event and in a manner that complies with Section 409A or an applicable exemption. Any nonqualified deferred compensation payments under this Agreement that may be excluded from Section 409A either as “separation pay” due to an involuntary separation from service or as a “short-term deferral” shall be excluded from Section 409A to the maximum extent possible. For purposes of Section 409A, each installment payment provided under this Agreement shall be treated as a separate payment and any right to a series of installment payments under this Agreement shall be treated as a right to a series of separate payments. Any payments to be made under this Agreement upon a termination of employment shall only be made upon a “separation from service” under Section 409A. Notwithstanding any provision of this Agreement to the contrary, in no event shall the timing of Executive’s execution of a release, directly or indirectly, result in Executive designating the calendar year of payment of any deferred compensation subject to Section 409A, and if a payment subject to Section 409A is subject to execution of a release and could be made in more than one taxable year, payment of such an amount shall be made in the later taxable year. Notwithstanding the foregoing, the Company makes no representations that the payments and benefits provided under this Agreement comply with Section 409A, and in no event shall the Company be liable for all or any portion of any taxes, penalties, interest, or other expenses that may be incurred by the Executive on account of non-compliance with Section 409A.

1.3 Specified Employees. Notwithstanding any other provision of this Agreement, if any payment or benefit provided to the Executive in connection with the Executive’s termination of employment is determined to constitute “nonqualified deferred compensation” within the meaning of Section 409A and the Executive is determined to be a “specified employee” as defined in Section 409A(a)(2)(b)(i), then such payment or benefit shall not be paid until the first payroll date to occur following the six-month anniversary of the date of the Executive’s termination or, if earlier, on the Executive’s death (the “**Specified Employee Payment Date**”). The aggregate of any payments that would otherwise have been paid before the Specified Employee Payment Date shall be paid to the Executive in a lump sum on the Specified Employee Payment Date and thereafter, any remaining payments shall be paid without delay in accordance with their original schedule.

1.4 Reimbursements. To the extent required by Section 409A, each reimbursement or in-kind benefit provided under this Agreement shall be provided in accordance with the following, subject to proof thereof:

- (a) the amount of expenses eligible for reimbursement, or in-kind benefits provided, during each calendar year cannot affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other calendar year;
- (b) any reimbursement of an eligible expense shall be paid to the Executive on or before the last day of the calendar year following the calendar year in which the expense was incurred; and
- (c) any right to reimbursements or in-kind benefits under this Agreement shall not be subject to liquidation or exchange for another benefit.

16. Section 280G.

1.1 Notwithstanding any other provision of this Agreement or any other plan, arrangement or agreement to the contrary, if any of the payments or benefits provided or to be provided by the

Company or its affiliates to the Executive or for the Executive's benefit pursuant to the terms of this Agreement or otherwise as a result of a Change in Control ("**Covered Payments**") constitute "parachute payments" within the meaning of Code Section 280G and would, but for this Section 16, be subject to the excise tax imposed under Code Section 4999 of the Code (or any successor provision thereto) or any similar tax imposed by state or local law or any interest or penalties with respect to such taxes (collectively, the "**Excise Tax**"), then the Covered Payments shall be reduced (but not below zero) to the minimum extent necessary to ensure that no portion of the Covered Payments is subject to the Excise Tax.

1.2 The Covered Payments shall be reduced in a manner that maximizes the Executive's economic position. In applying this principle, the reduction shall be made in a manner consistent with the requirements of Section 409A, and where two economically equivalent amounts are subject to reduction but payable at different times, such amounts shall be reduced on a pro rata basis but not below zero.

1.3 Any determination required under this Section 16 shall be made in writing in good faith by the accounting firm that was the Company's independent auditor immediately before the Change in Control (the "**Accountants**"), which shall provide detailed supporting calculations to the Company and the Executive as requested by the Company or the Executive. The Company and the Executive shall provide the Accountants with such information and documents as the Accountants may reasonably request in order to make a determination under this Section 16. For purposes of making the calculations and determinations required by this Section 16, the Accountants may rely on reasonable, good faith assumptions and approximations concerning the application of Code Sections 280G and 4999. The Accountants' good faith determinations shall be final and binding on the Company and the Executive. The Company shall be responsible for all fees and expenses incurred by the Accountants in connection with the calculations required by this Section 16.

17. Cooperation. The parties agree that certain matters in which the Executive will be involved during the Employment Term may necessitate the Executive's cooperation in the future. Accordingly, following the termination of the Executive's employment for any reason, to the extent reasonably requested by the Board, the Executive shall cooperate with the Company in connection with matters arising out of the Executive's service to the Company; provided that, the Company shall make reasonable efforts to minimize disruption of the Executive's other activities. The Company shall reimburse the Executive for reasonable expenses incurred in connection with such cooperation and, to the extent that the Executive is required to spend substantial time on such matters, the Company shall compensate the Executive at an hourly rate based on the Executive's Base Salary on the Termination Date.

18. Successors and Assigns. This Agreement is personal to the Executive and shall not be assigned by the Executive. Any purported assignment by the Executive shall be null and void from the initial date of the purported assignment. The Company may assign this Agreement to any successor or assign (whether direct or indirect, by purchase, merger, consolidation, or otherwise) to all or substantially all of the business or assets of the Company. This Agreement shall inure to the benefit of the Company and permitted successors and assigns.

19. Notice. Notices and all other communications provided for in this Agreement shall be given in writing by personal delivery, electronic delivery, or by registered mail to the parties at the addresses set forth below (or such other addresses as specified by the parties by like notice):

If to the Company:

Natural Gas Services Group, Inc.  
404 Veterans Airpark Lane, Suite 300  
Midland, TX 79705  
Attention: Chief Financial Officer and Chairman of the Board  
Email: At the current Company email addresses for such individuals

with a copy (which will not constitute notice hereunder) to:

Jones & Keller, P.C.  
1675 Broadway, 26th Floor  
Denver, CO 80202  
Attention: David Thayer, Esq.

If to the Executive:

Justin C. Jacobs  
[Redacted]  
[Redacted]  
Email: [Redacted]

with a copy (which will not constitute notice hereunder) to:

[Redacted]  
[Redacted]  
[Redacted]  
[Redacted]  
Attention: [Redacted]  
Email: [Redacted]

20. Representations of the Executive. The Executive represents and warrants to the Company that:

The Executive's acceptance of employment with the Company and the performance of the Executive's duties hereunder will not conflict with or result in a violation of, a breach of, or a default under any contract, agreement, or understanding to which the Executive is a party or is otherwise bound.

The Executive's acceptance of employment with the Company and the performance of the Executive's duties hereunder will not violate any non-solicitation, non-competition, or other similar covenant or agreement of a prior employer or third-party.

21. Withholding. The Company shall have the right to withhold from any amount payable hereunder any Federal, state, local or foreign taxes in order for the Company to satisfy any withholding tax obligation it may have under any applicable law or regulation.

22. Survival. Upon the expiration or other termination of this Agreement, the respective rights and obligations of the parties hereto shall survive such expiration or other termination to the extent necessary to carry out the intentions of the parties under this Agreement.

23. Acknowledgement of Full Understanding. THE EXECUTIVE ACKNOWLEDGES AND AGREES THAT THE EXECUTIVE HAS FULLY READ, UNDERSTANDS AND VOLUNTARILY ENTERS INTO THIS AGREEMENT. THE EXECUTIVE ACKNOWLEDGES AND AGREES THAT THE EXECUTIVE HAS HAD AN OPPORTUNITY TO ASK QUESTIONS AND CONSULT WITH AN ATTORNEY OF THE EXECUTIVE'S CHOICE BEFORE SIGNING THIS AGREEMENT.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have executed this Employment Agreement as of the date first above written.

NATURAL GAS SERVICES GROUP, INC.

By: /s/ Stephen C. Taylor  
Name: Stephen C. Taylor  
Title: Interim Chief Executive Officer

EXECUTIVE

/s/ Justin C. Jacobs  
Justin C. Jacobs



## Employee Non-Compete Agreement

This Employee Non-Compete Agreement (“**Agreement**”) is entered into by and between Natural Gas Services Group, Inc., a Colorado corporation, (the “**Employer**”) and Justin C. Jacobs (the “**Employee**”), (the Employer and the Employee are collectively referred to as the “**Parties**”), as of January 29, 2024 (the “**Effective Date**”).

Whereas, the Parties have concurrently entered into an Employment Agreement as of the Effective Date (the “**Employment Agreement**”) and in connection therewith, terms that are used but not defined in this Agreement shall have the meanings ascribed to them in the Employment Agreement.

In consideration of the Employee's employment by the Employer as Chief Executive Officer, which the Employee acknowledges to be good and valuable consideration for the Employee's obligations under this Agreement, the Employer and the Employee agree as follows:

1. Confidential Information. The Employee understands and acknowledges that during the course of employment by the Employer, the Employee will have access to and learn about Confidential Information, as defined below.

(a) Confidential Information Defined.

For purposes of this Agreement, “**Confidential Information**” includes, but is not limited to, all information not generally known to the public, in spoken, printed, electronic, or any other form or medium, relating directly or indirectly to: business processes, practices, and policies; plans; documents and reports; operations; services; strategies; agreements and contracts; transactions, potential transactions and negotiations; know-how and trade secrets; computer programs and software; technologies; manuals; records; systems; sources of material, suppliers and vendor information; accounting and financial information and records; legal information; marketing information; pricing and credit information; design information; payroll and personnel information; supplier and vendor lists; internal controls; drawings; market studies and sales information; communications; product plans; designs, ideas, inventions and specifications; customer information and lists; and manufacturing and assembly information of the Employer or its businesses, or of any other person or entity that has entrusted information to the Employer in confidence.

The Employee understands that the above list is not exhaustive, and that Confidential Information also includes other information that is marked or otherwise identified or treated as confidential or proprietary, or that would otherwise appear to a reasonable person to be confidential or proprietary in the context and circumstances in which the information is known or used.

The Employee understands and agrees that Confidential Information includes information developed by the Employee in the course of the Employee's employment by the Employer as if the Employer furnished the same Confidential Information to the

Employee in the first instance. Confidential Information shall not include information that is generally available to and known by the public at the time of disclosure to the Employee, provided that the disclosure is through no direct or indirect fault of the Employee or person(s) acting on the Employee's behalf.

(b) Employer Creation and Use of Confidential Information.

The Employee understands and acknowledges that the Employer has invested, and continues to invest, substantial time, money, and specialized knowledge into developing its resources, creating a customer base, generating customer and potential customer lists, training its employees, and improving its products and services in the oil and gas compression industry. The Employee understands and acknowledges that as a result of these efforts, Employer has created and continues to use and create Confidential Information. This Confidential Information provides Employer with a competitive advantage over others in the marketplace.

(c) Disclosure and Use Restrictions.

The Employee agrees and covenants:

(i) to treat all Confidential Information as strictly confidential;

(ii) not to directly or indirectly disclose, publish, communicate, or make available Confidential Information, or allow it to be disclosed, published, communicated, or made available, in whole or part, to any entity or person whatsoever (including other employees of the Employer) not having a need to know and authority to know and use the Confidential Information in connection with the business of the Employer and, in any event, not to anyone outside of the direct employ of the Employer except as required in the performance of the Employee's authorized employment duties to the Employer or with the prior consent of the Board of Directors (and then, such disclosure shall be made only within the limits and to the extent of such duties or consent); and

(iii) not to access or use any Confidential Information, and not to copy any documents, records, files, media, or other resources containing any Confidential Information, or remove any such documents, records, files, media, or other resources from the premises or control of the Employer, except as required in the performance of the Employee's authorized employment duties to the Employer or with the prior consent of the Board of Directors acting on behalf of the Employer in each instance (and then, such disclosure shall be made only within the limits and to the extent of such duties or consent).

The Employee understands and acknowledges that the Employee's obligations under this Agreement regarding any particular Confidential Information begins immediately when the Employee first has access to the Confidential Information (whether before or after beginning employment with the Employer) and shall continue during and after the Employee's employment by the Employer until the time that the Confidential Information has become public knowledge other than as a result of the

Employee's breach of this Agreement or breach by those acting in concert with the Employee or on the Employee's behalf.

(d) Notice of Immunity Under the Defend Trade Secrets Act of 2016 ("DTSA"). Notwithstanding any other provision of this Agreement:

(i) The Employee will not be held criminally or civilly liable under any federal or state trade secret law for any disclosure of a trade secret that:

(A) is made: (1) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (2) solely for the purpose of reporting or investigating a suspected violation of law; or

(B) is made in a complaint or other document that is filed under seal in a lawsuit or other proceeding.

(ii) If the Employee files a lawsuit for retaliation by the Employer for reporting a suspected violation of law, the Employee may disclose the Employer's trade secrets to the Employee's attorney and use the trade secret information in the court proceeding if the Employee:

(A) files any document containing the trade secret under seal;  
and

(B) does not disclose the trade secret, except pursuant to court order.

(e) Other Permitted Disclosures. Nothing in this Agreement shall be construed to prevent disclosure of Confidential Information as may be required by applicable law or regulation, or pursuant to the valid order of a court of competent jurisdiction or an authorized government agency, provided that the disclosure does not exceed the extent of disclosure required by such law, regulation, or order. The Employee shall promptly provide written notice of any such order to the Board of Directors of the Employer.

Nothing in this Agreement prevents the Employee from disclosing or discussing any sexual assault or sexual harassment dispute arising after the execution of this Agreement.

Nothing in this Agreement prohibits or restricts the Employee (or Employee's attorney) from initiating communications directly with, responding to an inquiry from, or providing testimony before the Securities and Exchange Commission (SEC), the Financial Industry Regulatory Authority (FINRA), any other self-regulatory organization, or any other federal or state regulatory authority regarding this Agreement or its underlying facts or circumstances or a possible securities law violation.

(f) Cooperation. During employment and thereafter, Employee shall reasonably cooperate, at Employer's expense, with Employer and its affiliates in any

disputes with third parties, internal investigation or administrative, regulatory or judicial proceeding as reasonably requested by Employer (including, without limitation, Employee being available to Employer upon reasonable notice for interviews and factual investigations, appearing at Employer's request to give testimony by service of a subpoena unless waived by Employee, volunteering to Employer all pertinent information and turning over to Employer all relevant documents which are or may come into Employee's possession, if available, all at times and on schedules that are reasonably consistent with Employee's other permitted activities and commitments). In the event Employer requires Employee's cooperation in accordance with this paragraph after the employment period, Employer shall fully reimburse Employee for reasonable travel expenses and other expenses (including transportation, lodging and meals, upon submission of receipts) incurred by Employee in connection therewith.

2. Restrictive Covenants.

(a) Acknowledgment.

The Employee understands that the nature of Employee's position gives the Employee access to and knowledge of Confidential Information and places the Employee in a position of trust and confidence with the Employer. The Employee understands and acknowledges that the services the Employee provides to the Employer are special and proprietary.

The Employee further understands and acknowledges that the Employer's ability to reserve the services and Confidential Information for the exclusive knowledge, use and benefit of the Employer is of great competitive importance and commercial value to the Employer, and that improper use or disclosure by the Employee is likely to result in unfair or unlawful competitive activity.

(b) Non-Competition.

Because of Employer's legitimate business interest as described in this Agreement and the good and valuable consideration offered to the Employee, the receipt and sufficiency of which is acknowledged, during the Restricted Period, the Employee agrees and covenants not to engage in Prohibited Activity within the Restricted Territory.

**"Restricted Period"** means the period of Employee's employment with the Employer and either (i) 12 months immediately following the termination of Employee's employment with the Employer in connection with a termination by the Executive for Good Reason or by the Company without Cause, or (ii) 24 months immediately following the termination of Employee's employment with the Company in connection with a termination by the Executive without Good Reason or by the Company with Cause.

**"Restricted Territory"** means any geographic area within a 100-mile radius of (i) any location where a Company owned or rented compressor is in service or (ii) any area (demarked by county) where the Company is actively seeking to sell or rent compressors or (iii) any location where the Company owns, leases or maintains office,

warehouse, fabrication or other facilities, each of the above determined at any time during the 12 month period immediately prior to the date of termination of Employee's services with Company.

**"Prohibited Activity"** is activity in which the Employee contributes the Employee's knowledge, directly or indirectly, in whole or in part, as an employee, employer, owner, operator, manager, advisor, consultant, contractor, agent, partner, director, stockholder, officer, volunteer, intern, or any other similar capacity to an entity in competition with the Employer/primarily engaged in the same or similar business as the Employer in the Restricted Territory, including those engaged in the business of manufacturing, fabricating, selling, renting and maintaining of natural gas and electric motor driven compressors. Prohibited Activity also includes activity that may require or inevitably require the use or disclosure of trade secrets, proprietary information, or Confidential Information.

The Employer regards as its primary, but not exclusive, competitors the businesses and entities list on Exhibit A.

Nothing in this Agreement shall prohibit Employee from purchasing or owning less than one-half of one percent (0.5%) of the publicly traded securities of any corporation, provided that such ownership represents a passive investment and that the Employee is not a controlling person of, or a member of a group that controls, such corporation.

This Section does not, in any way, restrict or impede the Employee from exercising protected rights to the extent that such rights cannot be waived by agreement or from complying with any applicable law or regulation or a valid order of a court of competent jurisdiction or an authorized government agency, provided that such compliance does not exceed that required by the law, regulation, or order. The Employee shall promptly provide written notice of any such order to the Board of Directors.

(c) Non-Solicitation of Employees.

The Employee understands and acknowledges that the Employer has expended and continues to expend significant time and expense in recruiting and training its employees and that the loss of employees would cause significant and irreparable harm to the Employer. The Employee agrees and covenants not to directly or indirectly solicit, hire, recruit, or attempt to solicit, hire, or recruit, any employee of the Employer or any employee who has been employed by the Employer in the six months preceding the last day of Employee's employment (a "**Covered Employee**"), or induce the termination of employment of any Covered Employee, regardless of the reason for the termination, whether voluntary or involuntary during the Restricted Period.

This non-solicitation provision explicitly covers all forms of oral, written, or electronic communication, including, but not limited to, communications by email, regular mail, express mail, telephone, fax, instant message and social media.

(d) Non-Solicitation of Customers.

The Employee understands and acknowledges that because of the Employee's experience with and relationship to the Employer, the Employee has had and will continue to have access to and has learned and will continue to learn about much or all of the Employer's Customer Information, including, but not limited to, Confidential Information. "**Customer Information**" includes, but is not limited to, names, phone numbers, addresses, email addresses, order history, order preferences, chain of command, pricing information, and other information identifying facts and circumstances specific to the customer and relevant to rental, sales, fabrication, technical and maintenance services.

The Employee understands and acknowledges that: (i) the Employer's relationships with its customers is of great competitive value; (ii) the Employer has invested and continues to invest substantial resources in developing and preserving its customer relationships and goodwill; and (iii) the loss of any such customer relationship or goodwill will cause significant and irreparable harm to the Employer.

The Employee agrees and covenants, regardless of the reason for the termination, whether voluntary or involuntary during the Restricted Period, not to directly or indirectly solicit, contact, or attempt to solicit or contact, using any other form of oral, written, or electronic communication, including, but not limited to, email, regular mail, express mail, telephone, fax, instant message or social media or meet with the Employer's current or prospective customers for purposes of offering or providing compressor sales, rentals, fabrication, technical equipment or services similar to or competitive with those offered by the Employer.

(e) Non-Disparagement.

The Employee agrees and covenants that the Employee or any person or entity acting on his behalf will not at any time make, publish, or communicate to any person or entity or in any public forum any public statement or announcement that constitutes an ad hominem attack on, or that otherwise defames or slanders the Employer or any of its employees, directors or existing and prospective customers, suppliers, investors, and other associated third parties ("**Covered Persons**") (provided, that nothing herein will prevent the Employee or any person acting on his behalf from making any statement or announcement unrelated to (and which does not reference in any way) the Employer, its business or the Board concerning Covered Persons of the Employer and its affiliates).

The Employer agrees and covenants, and will cause each of its executive officers and members of its Board of Directors, not to make or cause to be made, publish, or communicate to any person or entity or in any public forum any public statement or announcement that constitutes an ad hominem attack on, or that otherwise defames or slanders the Employee (provided, that nothing herein will prevent the Employer or any executive officer or member of the Board from making any statement or announcement unrelated to (and which does not reference in any way) the Employee).

This Section does not, in any way, restrict or impede the Employee from exercising protected rights to the extent that such rights cannot be waived by agreement. This Section also does not prevent the Employee from complying with any applicable

law or regulation or a valid order of a court of competent jurisdiction or an authorized government agency, provided that such compliance does not exceed that required by the law, regulation, or order. The Employee shall promptly provide written notice of any such order to the Board of Directors and be subject to the cooperation provision set forth above in Section 1(f).

3. Acknowledgment. The Employee acknowledges and agrees that: (i) the Employee's services to be rendered to the Employer are of a special and unique character; (ii) that the Employee will obtain knowledge and skills relevant to the Employer's industry, methods of doing business, and marketing strategies by virtue of the Employee's employment; (iii) that the restrictive covenants and other terms and conditions of this Agreement are reasonable and reasonably necessary to protect the legitimate business interests of the Employer; (iv) that the Employee will be reasonably able to earn a living or provide for himself without violating the terms of this Agreement; and (v) that the Employee has the right to consult with counsel before signing this Agreement.

The Employee further acknowledges that: (i) the amount of the Employee's compensation reflects, in part, the Employee's obligations and the Employer's rights under this Agreement; (ii) the Employee has no expectation of any additional compensation, royalties, or other payment of any kind not otherwise referenced herein in connection herewith; and (iii) the Employee will not be subject to undue hardship by reason of the Employee's full compliance with the terms and conditions of this Agreement or the Employer's enforcement of it; and (iv) the Employee has been given at least 21 days to review and consider this Agreement before signing it.

**Nothing in this Agreement shall be construed to in any way terminate, supersede, undermine, or otherwise modify the Employment Agreement entered into by the Employer and Employee as of the same date hereof.**

4. Remedies. In the event of a breach or threatened breach by the Employee of any of the provisions of this Agreement, the Employee hereby consents and agrees that money damages would not afford an adequate remedy and that Employer shall be entitled to seek a temporary or permanent injunction or other equitable relief against such breach or threatened breach from any court of competent jurisdiction, without the necessity of showing any actual damages, and without the necessity of posting any bond or other security. Any equitable relief shall be in addition to, not in lieu of, legal remedies, monetary damages, or other available relief.

5. Successors and Assigns.

(a) Assignment by the Employer.

To the extent permitted by state law, the Employer may assign this Agreement to any subsidiary or corporate affiliate, or to any successor or assign (whether direct or indirect, by purchase, merger, consolidation, or otherwise) to all or substantially all of the business or assets of the Employer. This Agreement shall inure to the benefit of the Employer and permitted successors and assigns.

(b) No Assignment by the Employee.

The Employee may not assign this Agreement or any part hereof. Any purported assignment by the Employee shall be null and void from the initial date of purported assignment.

6. Arbitration/Prevailing Party Recovery of Attorney's Fees. Any dispute, controversy, or claim arising out of or related to the Employee's employment by the Company, or termination of employment, including but not limited to claims arising under or related to this Agreement or any breach of this Agreement, and any alleged violation of federal, state, or local statute, regulation, common law, or public policy, shall be submitted to and decided by binding arbitration. Arbitration shall be administered exclusively by the American Arbitration Association and shall be conducted in the county of the Company's principal executive office consistent with the rules of the American Arbitration Association in effect at the time the arbitration is commenced. Any arbitral award determination shall be final and binding upon the parties. The Parties agree that the prevailing party in any Arbitration or other proceeding to enforce any provision of this Agreement shall recover its or his attorney's fees and costs.

7. Choice of Law and Forum Selection. This Agreement, for all purposes, shall be construed in accordance with the laws of Texas without regard to conflicts of law principles. Any action or proceeding by either of the parties to enforce this Agreement shall be brought only in a state or federal court located in the county of the Company's principal executive office. The parties hereby irrevocably submit to the exclusive jurisdiction of such courts and waive the defense of inconvenient forum to the maintenance of any such action or proceeding in such venue.

8. Entire Agreement. Unless specifically provided herein, this Agreement contains all the understandings and representations between the Employee and the Employer pertaining to the subject matter hereof and supersedes all prior and contemporaneous understandings, agreements, representations, and warranties, both written and oral, with respect to such subject matter. For purposes of clarity, this Agreement shall not modify or affect the Employment Agreement or Employee Proprietary Rights Agreement executed between the Parties as of the same date hereof and such agreements shall remain in full force and effect.

9. Modification and Waiver. No provision of this Agreement may be amended or modified unless the amendment or modification is agreed to in writing and signed by both Parties. No waiver by either Party of any breach of any condition or provision of this Agreement to be performed by the other Party shall be deemed a waiver of any other provision or condition at the same or any prior or subsequent time, nor shall the failure of or delay by either Party in exercising any right, power, or privilege under this Agreement operate as a waiver to preclude any other or further exercise of any right, power, or privilege.

10. Severability. Should any provision of this Agreement be held by a court or arbitral authority of competent jurisdiction to be enforceable only if modified, or if any portion of this Agreement shall be held as unenforceable and thus stricken, that holding shall not affect the validity of the remainder of this Agreement, the balance of which shall continue to be binding on the Parties with any modification to become a part of and treated as though originally set forth in this Agreement.



The Parties further agree that any such court or arbitral authority is expressly authorized to modify any unenforceable provision of this Agreement instead of severing the unenforceable provision from this Agreement in its entirety, whether by rewriting the offending provision, deleting any or all of the offending provision, adding additional language to this Agreement, or by making any other modifications it deems warranted to carry out the intent and agreement of the Parties as embodied in this Agreement to the maximum extent permitted by law.

The Parties expressly agree that this Agreement as so modified by the court shall be binding upon and enforceable against each of them. Should one or more of the provisions of this Agreement be held to be invalid, illegal, or unenforceable in any respect, that invalidity, illegality, or unenforceability shall not affect any other provisions of this Agreement, and if such provision or provisions are not modified as provided above, this Agreement shall be construed as if such invalid, illegal, or unenforceable provisions had not been set forth in this Agreement.

11. Captions. Captions and headings of the sections and paragraphs of this Agreement are intended solely for convenience and no provision of this Agreement is to be construed by reference to the caption or heading of any section or paragraph.

12. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument. Delivery of an executed counterpart's signature page of this Agreement, by facsimile, electronic mail in portable document format (.pdf), or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document, has the same effect as delivery of an executed original of this Agreement.

13. Tolling. If the Employee violates any of the terms of the restrictive covenant obligations in this Agreement, the Restricted Period for all such restrictions shall automatically be extended by the period the Employee was in violation of them.

14. Notice. If and when Employee's employment with Employer terminates, whether voluntarily or involuntarily, Employee agrees to provide to any subsequent employer a copy of this Agreement. In addition, Employee authorizes Employer to provide a copy of this Agreement to third parties, including but not limited to, Employee's subsequent, anticipated, or possible future employer.

*[Signatures to Follow]*

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

NATURAL GAS SERVICES GROUP, INC.

By:  \_\_\_\_\_

Name: Stephen C. Taylor  
Interim Chief Executive Officer

EMPLOYEE

 \_\_\_\_\_

Justin C. Jacobs

**EXHIBIT A  
LIST OF COMPETITORS**

1. ARCHROCK
2. KODIAK
3. USA COMPRESSION
4. CSI COMPRESSCO
5. NOVA
6. FLATROCK
7. NATURAL GAS COMPRESSION SERVICES
8. BERKSHIRE HATHAWAY
9. TOPS LLC
10. ESTIS COMPRESSION
11. AXIP
12. ENERFLEX
13. MONARCH RESOURCE PARTNERS

The foregoing list shall include any entities or persons that are successors to the competitors listed above.



## Employee Proprietary Rights Agreement

This Employee Proprietary Rights Agreement (“**Agreement**”) is entered into by and between Natural Gas Services Group, Inc., a Colorado corporation, (the “**Employer**”) and Justin C. Jacobs (the “**Employee**”), (the Employer and the Employee are collectively referred to as the “**Parties**”), as of January 29, 2024 (the “**Effective Date**”).

In consideration of the Employee's employment by the Employer, which the Employee acknowledges to be good and valuable consideration for the Employee's obligations hereunder, the Employer and the Employee hereby agree as follows:

### I. Proprietary Rights.

(a) *Work Product.* The Employee acknowledges and agrees that all writings, works of authorship, technology, inventions, discoveries, ideas, and other work product of any nature whatsoever, that are created, prepared, produced, authored, edited, amended, conceived, or reduced to practice by the Employee individually or jointly with others during the period of the Employee's employment by the Employer and relating in any way to the business or contemplated business, research, or development of the Employer (regardless of when or where the Work Product is prepared or whose equipment or other resources is used in preparing the same) and all printed, physical, and electronic copies, all improvements, rights, and claims related to the foregoing, and other tangible embodiments thereof (collectively, “**Work Product**”), as well as any and all rights in and to copyrights, trade secrets, trademarks (and related goodwill), patents, and other intellectual property rights therein arising in any jurisdiction throughout the world and all related rights of priority under international conventions with respect thereto, including all pending and future applications and registrations therefor, and continuations, divisions, continuations-in-part, reissues, extensions, and renewals thereof (collectively, “**Intellectual Property Rights**”), shall be the sole and exclusive property of the Employer.

For purposes of this Agreement, Work Product includes, but is not limited to, Employer information, including plans, publications, research, strategies, techniques, agreements, documents, know-how, computer applications, databases, manuals, reports, graphics, drawings, market studies, product plans and designs, models, inventions, unpublished patent applications, original works of authorship, discoveries, experimental processes and results, specifications, customer information and lists, manufacturing and assemblage, marketing information, and sales information.

(b) *Work Made for Hire; Assignment.* The Employee acknowledges that, by reason of being employed by the Employer at the relevant times, to the extent permitted by law, all of the Work Product consisting of copyrightable subject matter is “work made for hire” as defined in the Copyright Act of 1976 (17 U.S.C. § 101), and such copyrights are therefore owned by the Employer. To the extent that the foregoing does not apply, the Employee hereby irrevocably assigns to the Employer, for no additional consideration, the Employee's entire right, title, and interest in and to all Work Product and Intellectual Property Rights therein, including the right to sue, counterclaim, and recover for all past,

present, and future infringement, misappropriation, or dilution thereof, and all rights corresponding thereto throughout the world. Nothing contained in this Agreement shall be construed to reduce or limit the Employer's rights, title, or interest in any Work Product or Intellectual Property Rights so as to be less in any respect than that the Employer would have had in the absence of this Agreement.

(c) *Further Assurances; Power of Attorney.* During and after the Employee's employment, the Employee agrees to reasonably cooperate with the Employer at the Employer's expense to (i) apply for, obtain, perfect, and transfer to the Employer the Work Product and Intellectual Property Rights in the Work Product in any jurisdiction in the world; and (ii) maintain, protect, and enforce the same, including, without limitation, executing and delivering to the Employer any and all applications, oaths, declarations, affidavits, waivers, assignments, and other documents and instruments as shall be requested by the Employer. The Employee hereby irrevocably grants the Employer power of attorney to execute and deliver any such documents on the Employee's behalf in the Employee's name and to do all other lawfully permitted acts to transfer the Work Product to the Employer and further the transfer, issuance, prosecution, and maintenance of all Intellectual Property Rights therein, to the full extent permitted by law, if the Employee does not promptly cooperate with the Employer's request (without limiting the rights the Employer shall have in such circumstances by operation of law). The power of attorney is coupled with an interest and shall not be impacted by the Employee's subsequent incapacity.

(d) *Moral Rights.* To the extent any copyrights are assigned under this Agreement, the Employee hereby irrevocably waives, to the extent permitted by applicable law, any and all claims the Employee may now or hereafter have in any jurisdiction to all rights of paternity, integrity, disclosure, and withdrawal and any other rights that may be known as "moral rights" with respect to all Work Product and all Intellectual Property Rights therein.

(e) *No License.* The Employee understands that this Agreement does not, and shall not be construed to, grant the Employee any license or right of any nature with respect to any Work Product or Intellectual Property Rights or any Confidential Information, materials, software, or other tools made available to the Employee by the Employer.

## 2. Security.

(a) *Security and Access.* The Employee agrees and covenants (i) to comply with all Employer security policies and procedures as in force from time to time including without limitation those regarding computer equipment, telephone systems, voicemail systems, facilities access, key cards, access codes, Employer intranet, internet, social media and instant messaging systems, computer and email systems and networks, document storage systems, software and data security, firewalls, passwords and any and all other Employer facilities, IT resources, and communication technologies ("**Facilities and Information Technology and Access Resources**"); (ii) not to access or use any Facilities and Information Technology and Access Resources except as authorized by the

Employer; and (iii) not to access or use any Facilities and Information Technology and Access Resources in any manner after the termination of the Employee's employment by the Employer, whether termination is voluntary or involuntary. The Employee agrees to notify the Employer promptly in the event the Employee learns of any violation of the foregoing by others, or of any other misappropriation or unauthorized access, use, reproduction or reverse engineering of, or tampering with any Facilities and Information Technology and Access Resources or other Employer property or materials by others.

(b) *Exit Obligations.* Upon (i) voluntary or involuntary termination of the Employee's employment or (ii) the Employer's request at any time during the Employee's employment, the Employee shall (A) provide or return to the Employer any and all Employer property, documents and materials belonging to the Employer and stored in any fashion, including but not limited to those that constitute or contain any Confidential Information or Work Product, that are in the possession or control of the Employee, whether they were provided to the Employee by the Employer or any of its business associates or created by the Employee in connection with the Employee's employment by the Employer; and (B) delete or destroy all copies of any such documents and materials not returned to the Employer that remain in the Employee's possession or control, including those stored on any non-Employer devices, networks, storage locations, and media in the Employee's possession or control.

3. Publicity. Employee hereby consents to any and all uses and displays, by the Employer and its agents, of the Employee's name, voice, likeness, image, appearance, and biographical information in, on, or in connection with any pictures, photographs, audio, and video recordings, digital images, websites, television programs, and advertising, other advertising, sales, and marketing brochures, books, magazines, other publications, CDs, DVDs, tapes, and all other printed and electronic forms and media throughout the world, at any time during or after the period of the Employee's employment by the Employer, for all legitimate business purposes of the Employer ("**Permitted Uses**"). Employee hereby forever releases the Employer and its directors, officers, employees, and agents from any and all claims, actions, damages, losses, costs, expenses, and liability of any kind, arising under any legal or equitable theory whatsoever at any time during or after the period of the Employee's employment by the Employer, in connection with any Permitted Use.

4. Acknowledgment. The Employee acknowledges and agrees that the services to be rendered by the Employee to the Employer are of a special and unique character; that the Employee will obtain knowledge and skill relevant to the Employer's industry, methods of doing business, and marketing strategies by virtue of the Employee's employment; and that the terms and conditions of this Agreement are reasonable under these circumstances. The Employee further acknowledges that the amount of the Employee's compensation reflects, in part, the Employee's obligations and the Employer's rights under this Agreement; that the Employee has no expectation of any additional compensation, royalties, or other payment of any kind not otherwise referenced herein in connection herewith; that the Employee will not be subject to undue hardship by reason of the Employee's full compliance with the terms and conditions of this Agreement or the Employer's enforcement thereof; and that this Agreement is not a contract of employment and shall not be construed as a commitment by either of the Parties to continue an employment relationship for any certain period of time. **Nothing in this Agreement shall be**

**construed in any way terminate, supersede, undermine, or otherwise modify the Employment Agreement entered into by the Employer and Employee as of the same date hereof.**

5. **Remedies.** The Employee acknowledges that the Employer's Confidential Information and the Employer's ability to reserve it for the exclusive knowledge and use of the Employer is of great competitive importance and commercial value to the Employer, and that improper use or disclosure of the Confidential Information by the Employee will cause irreparable harm to the Employer, for which remedies at law will not be adequate. In the event of a breach or threatened breach by the Employee of any of the provisions of this Agreement, the Employee hereby consents and agrees that the Employer shall be entitled to seek, in addition to other available remedies, a temporary or permanent injunction or other equitable relief against such breach or threatened breach from any court of competent jurisdiction, without the necessity of showing any actual damages or that monetary damages would not afford an adequate remedy, and without the necessity of posting any bond or other security. The aforementioned equitable relief shall be in addition to, not in lieu of, legal remedies, monetary damages, or other available forms of relief.

6. **Successors and Assigns.**

(a) *Assignment by the Employer.* The Employer may assign this Agreement to any subsidiary or corporate affiliate or to any successor or assign (whether direct or indirect, by purchase, merger, consolidation, or otherwise) to all or substantially all of the business or assets of the Employer. This Agreement shall inure to the benefit of the Employer and permitted successors and assigns.

(b) *No Assignment by the Employee.* The Employee may not assign this Agreement or any part hereof. Any purported assignment by the Employee shall be null and void from the initial date of purported assignment.

7. **Arbitration/Prevailing Party Recovery of Attorney's Fees.** Any dispute, controversy, or claim arising out of or related to the Employee's employment by the Company, or termination of employment, including but not limited to claims arising under or related to this Agreement or any breach of this Agreement, and any alleged violation of federal, state, or local statute, regulation, common law, or public policy, shall be submitted to and decided by binding arbitration. Arbitration shall be administered exclusively by the American Arbitration Association and shall be conducted in the county of the Company's principal executive office consistent with the rules of the American Arbitration Association in effect at the time the arbitration is commenced. Any arbitral award determination shall be final and binding upon the parties. The Parties agree that the prevailing party of the Arbitration shall recover its or his attorney's fee.

8. **Governing Law: Jurisdiction and Venue.** This Agreement, for all purposes, shall be construed in accordance with the laws of Texas without regard to conflicts of law principles. Any action or proceeding by either of the Parties to enforce this Agreement shall be brought only in a state or federal court in the county of the Company's principal executive office. The Parties



hereby irrevocably submit to the exclusive jurisdiction of such courts and waive the defense of inconvenient forum to the maintenance of any such action or proceeding in such venue.

9. Entire Agreement. Unless specifically provided herein, this Agreement contains all the understandings and representations between the Employee and the Employer pertaining to the subject matter hereof and supersedes all prior and contemporaneous understandings, agreements, representations, and warranties, both written and oral, with respect to such subject matter. For purposes of clarity, this Agreement shall not modify or affect the Employment Agreement or Employee Non-Compete Agreement executed between the Parties as of the same date hereof and such agreements shall remain in full force and effect.

10. Modification and Waiver. No provision of this Agreement may be amended or modified unless the amendment or modification is agreed to in writing and signed by both Parties. No waiver by either Party of any breach of any condition or provision of this Agreement to be performed by the other Party shall be deemed a waiver of any other provision or condition at the same or any prior or subsequent time, nor shall the failure of or delay by either Party in exercising any right, power, or privilege under this Agreement operate as a waiver to preclude any other or further exercise of any right, power, or privilege.

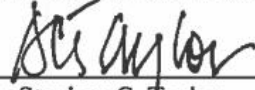
11. Severability. Should any provision of this Agreement be held by a court of competent jurisdiction to be enforceable only if modified, or if any portion of this Agreement shall be held as unenforceable and thus stricken, such holding shall not affect the validity of the remainder of this Agreement, the balance of which shall continue to be binding upon the Parties with any such modification to become a part hereof and treated as though originally set forth in this Agreement. The Parties further agree that any such court is expressly authorized to modify any such unenforceable provision of this Agreement in lieu of severing such unenforceable provision from this Agreement in its entirety, whether by rewriting the offending provision, deleting any or all of the offending provision, by adding additional language to this Agreement, or by making such other modifications as it deems warranted to carry out the intent and agreement of the Parties as embodied herein to the maximum extent permitted by law. The Parties expressly agree that this Agreement as so modified by the court shall be binding upon and enforceable against each of them. In any event, should one or more of the provisions of this Agreement be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provisions hereof, and if such provision or provisions are not modified as provided above, this Agreement shall be construed as if such invalid, illegal, or unenforceable provisions had not been set forth herein.

12. Captions. Captions and headings of the sections and paragraphs of this Agreement are intended solely for convenience and no provision of this Agreement is to be construed by reference to the caption or heading of any section or paragraph.

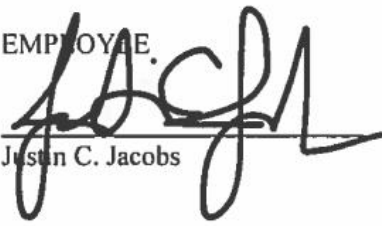
13. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument. Delivery of an executed counterpart's signature page of this Agreement, by facsimile, electronic mail in portable document format (.pdf), or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document, has the same effect as delivery of an executed original of this Agreement.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the date first above written.

NATURAL GAS SERVICES GROUP, INC.

By:   
Name: Stephen C. Taylor  
Interim Chief Executive Officer

EMPLOYEE.

  
Justin C. Jacobs



**Natural Gas Services Group, Inc. Announces  
Justin Jacobs as Chief Executive Officer**

Midland, Texas, February 1, 2024 (GLOBE NEWSWIRE) – **Natural Gas Services Group, Inc.** (NYSE: NGS), a leading provider of gas compression equipment, technology, and services to the energy industry, announced today the appointment of Justin Jacobs as Chief Executive Officer of NGS, effective February 12, 2024.

The appointment concludes an extensive and thorough search process undertaken by the Board of Directors over the past year. Stephen Taylor, who serves as Interim Chief Executive Officer, will remain Chairman of Board of NGS and will provide transition services for 6 months as per his retirement agreement.

“We are delighted to have Justin take an executive role at this important point in NGS’s history,” Mr. Taylor said. “In working with him for several years as an engaged shareholder in the company and then working very closely with him in his time as a director, I’m confident his expertise will help drive the continued upward trajectory of our performance. As one of the company’s largest shareholders, I am excited about the future of NGS.”

“NGS is a great company that has grown significantly over the past year with a huge opportunity ahead, particularly considering the company’s strong competitive position and industry tailwinds,” noted Mr. Jacobs. “Throughout my career, I have worked with companies as an investor, operator, and director to drive returns for shareholders. I look forward to working closely with Steve during his transition, NGS’s President and COO, Brian Tucker, and the outstanding operating team at the company. I believe the future for NGS is bright.”

Mr. Jacobs joins NGS from Mill Road Capital, an investment firm focused on investing in, and partnering with, small publicly traded companies in the U.S. and Canada. He was a Managing Director at Mill Road, a member of the management committee, and responsible for overseeing and managing the Firm’s governance investments. Mr. Jacobs joined the firm in 2005, prior to the formation of the first fund. He previously worked at LiveWire Capital, an investment and management group focused on operationally intensive buyouts. In addition to leading and executing investment opportunities, Mr. Jacobs held operational positions in numerous portfolio companies, including interim Chief Operating Officer. Prior to LiveWire, Mr. Jacobs was an investment professional in the private equity group at Blackstone, where he worked on transactions in a range of industries including oil refining. In addition to sitting on the Board of NGS, Mr. Jacobs is or has been a director for five public companies as well as numerous private for profit and not for profit boards.

**About Natural Gas Services Group, Inc. (NGS)**

NGS is a leading provider of gas compression equipment, technology, and services to the energy industry. The Company manufactures, fabricates, rents, sells, and maintains natural gas compressors for oil and natural gas production and plant facilities. NGS is headquartered in Midland, Texas, with fabrication facilities located in Tulsa, Oklahoma, and Midland, Texas, and service facilities located in major oil and natural gas producing basins in the U.S. Additional information can be found at [www.ngsgi.com](http://www.ngsgi.com).

**Cautionary Statements**

This news release contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Statements that do not relate strictly to historical or current facts, including those relating to expectations regarding the Company's CEO hiring, are forward-looking and are subject to known and unknown risks and uncertainties that may cause actual results to differ materially from those expressed in such forward-looking statements. Any forward-looking statement speaks only as of the date on which such statement is made, and the Company does not intend to correct or update any forward-looking statement, whether as a result of new information, future events or otherwise, except as required by law.

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