

**CAPSTONE GROUP OF INVESTMENT COMPANIES  
NOMINATING AND CORPORATE GOVERNANCE  
COMMITTEE CHARTER**

**A. PURPOSE:**

The purpose of the Nominating and Corporate Governance Committee is:

- (a) to select and nominate persons to serve as directors and trustees (“Director/Trustees) who will be independent Director/Trustees (“Independent Director/Trustees”)<sup>1</sup> on the Boards of Directors/Trustees (“Boards”) of the Capstone Group of Investment Companies (“Funds”);
- (b) to nominate members of other committees of the Boards, subject to approval by a majority of the Directors/Trustees and to applicable regulatory requirements; and
- (c) to evaluate and enhance (i) the effectiveness of the Boards in their role in governing the Funds and overseeing the management of the Funds and (ii) the roles and effectiveness of committees of the Boards.

**B. MEMBERSHIP:**

The Nominating and Corporate Governance Committee (“Committee”) shall be composed of at least three (3) Independent Directors/Trustees, to be appointed by vote of a majority of the Directors/Trustees, including a majority of the Independent Directors/Trustees .

**C. DUTIES AND RESPONSIBILITIES:**

The Committee shall review, discuss, and make recommendations to the Boards relating to those issues that pertain to the effectiveness of the Boards in carrying out their responsibilities in governing the Funds and overseeing the management of the Funds.

These issues may include, but are not limited to, issues relating to:

1. Composition of the Boards, including:
  - a. The size of the Boards.
  - b. Retirement policies relating to Directors/Trustees.
2. Activities of Directors/Trustees, including:
  - a. Service by members of the Boards on other fund boards within the Capstone complex or funds outside the Capstone complex.

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<sup>1</sup> Independent Directors/Trustees are persons who are not “interested persons” of the Funds, as defined in Section 2(a)(19) of the Investment Company Act of 1940.

- b. Guidelines relating to ownership by Directors/Trustees of shares of the Funds.
  - c. Continuing education of Directors/Trustees.
  - d. Identification of best practices for the Boards and Directors/Trustees.
  - e. Director/Trustee compensation.
3. Meetings of the Boards, including:
    - a. Coordination with the Chairmen of the Boards in developing the agendas for the meetings of the Boards.
    - b. Frequency of meetings of the Boards.
    - c. Allocation of time between and among various agenda items during meetings of the Boards.
    - d. Meeting attendance policies of the Boards.
4. The role of the Independent Directors/Trustees, including:
    - a. Ability of Independent Directors/Trustees to act and function independently of management.
    - b. Quality of information received by the Independent Directors/Trustees.
5. The role of the committees of the Boards, including:
    - a. Composition of the committees.
    - b. Scope of the responsibilities of the committees.
    - c. Compensation of members of committees of the Boards.
    - d. Appointment of Chairmen of committees of the Boards.
6. The relationship between the Boards and management, including:
    - a. Oversight of management.
    - b. Communication with management.
    - c. Coordination with management in ensuring that management has developed an appropriate plan to deal with potential crisis management situations.
7. Self-evaluation of the Boards and committees of the Boards.

- D. The Committee shall meet on a regular basis and is empowered to hold special meetings as circumstances require. Minutes of its meetings shall be maintained as part of the Funds' records, and copies shall be distributed to all Directors/Trustees.
- E. The Committee shall have the resources and authority appropriate to discharge its responsibilities, including the authority to retain special counsel and other experts or consultants at the expense of the Funds.
- F. The Committee shall review this Charter periodically and recommend any changes to the full Boards.
- G. The Committee shall meet in person at least twice annually. Any two members or the Chairman may call a meeting.