

**HMS INCOME FUND, INC.**  
**NOMINATING AND CORPORATE GOVERNANCE COMMITTEE CHARTER**

**Purpose**

The primary purposes of the Nominating and Corporate Governance Committee (the “Committee”) of the Board of Directors (the “Board”) of HMS Income Fund, Inc. (the “Company”) are (1) to assist the Board in identifying individuals qualified to become directors of the Company, (2) to provide the Board with recommendations of director candidates to fill vacancies on the Board and to stand for election by the stockholders at the annual meeting of the Company, (3) to recommend committee assignments for directors to the Board, (4) to periodically assess the performance of the Board and (5) to review and recommend to the Board appropriate corporate governance policies and procedures for the Company.

**Membership**

The Committee shall be comprised of three or more directors, each of whom shall be Independent Directors. “Independent Directors” are members of the Board who (i) are not “interested persons” as defined in the Investment Company Act of 1940, as amended (the “1940 Act”) of the Company and (ii) free from any relationship that, in the opinion of the Board, would interfere with the exercise of his or her independent judgment as a member of the Committee.

The members of the Committee and the Chairman of the Committee shall be appointed by the Board after considering and receiving the recommendations of the Committee and shall serve until their successors shall be duly elected and qualified or until their earlier death, retirement, resignation or removal. The Board shall have the power at any time to change the membership of the Committee and to fill vacancies on it, subject to such new member(s) satisfying the independence requirements referred to herein.

**Meetings**

The Committee shall hold regular meetings as may be necessary (but not less frequently than annually) and such special meetings as may be called by the Chair of the Committee.

**Responsibilities and Duties**

To fulfill its responsibilities and duties, the Committee shall:

1. Review the composition of the Board in order to ensure that the Board has the proper expertise and its membership consists of persons with sufficiently diverse backgrounds.
2. Recommend to the Board changes that the Committee believes to be desirable to the size and composition of the Board.
3. At the direction of the Board, search for, identify, evaluate the qualifications of and recommend to the Board for the Board’s consideration a slate of qualified director nominees to be elected by the stockholders in connection with each

annual meeting, and any directors to be elected by the Board to fill vacancies or newly created directorships between annual meetings. Notwithstanding the foregoing, it is understood that the Board will decide director nominees or directors to fill vacancies.

4. In assessing the qualifications of prospective nominees to the Board, consider each nominee's personal and professional integrity, experience, skills, ability and willingness to devote the time and effort necessary to be an effective board member, and commitment to acting in the best interests of the Company and its stockholders. Consideration shall also be given to the Board's having an appropriate mix of backgrounds and skills and the requirements in the Company's Articles of Amendment and Restatement.
5. Recommend committee assignments for directors to the Board as openings occur on committees of the Board, or as rotations of committee assignments are deemed advisable by the Board upon recommendation from the Committee. Recommend committee assignments in accordance with the membership requirements specified in the charter of each committee, and with due consideration given to each committee's annual assessment of its composition, performance and effectiveness and the desires and skills of individual directors.
6. Annually review and report to the Board on the succession planning with respect to the Company's chief executive officer, and recommend to the Board a successor to the Company's chief executive officer when a vacancy occurs through retirement or otherwise, including emergency procedures for succession in the event of unexpected death, disability, or departure of the Company's chief executive officer.
7. Recommend to the Board policies on age and term limits for Board members.
8. Develop and recommend to the Board a code of business conduct and ethics for the Company's chief executive officers and senior financial officers; once adopted, as it deems appropriate, but at least annually, review and reassess the (i) adequacy of such code and, as needed, recommend any proposed modifications to the Board for approval and (ii) compliance with such code.
9. Review periodically the Articles of Amendment and Restatement and Bylaws of the Company and recommend to the Board changes thereto in respect of good corporate governance and fostering stockholders' rights.
10. Take such other action regarding the manner of governance of the Company from time to time that are in the best interests of the Company and its stockholders, as the Committee shall deem appropriate.
11. Develop and recommend to the Board for approval a self-evaluation process for the Board and its committees, and oversee the Board's annual self-evaluations.
12. Produce and provide to the Board the following reports:

- a. An annual performance evaluation of the Committee under this Charter. In conducting this evaluation, the Committee shall compare the performance of the Committee with the requirements of this Charter and set forth the goals and objectives of the Committee for the following year.
  - b. A summary of actions taken at each Committee meeting.
  - c. A report of any issues that arise with respect to the Committee's responsibilities.
13. Perform any other activities consistent with this Charter, the Company's Articles of Amendment and Restatement, the Company's Bylaws and governing law, as the Committee or the Board deems necessary or appropriate.

The Committee shall have the sole authority to retain and terminate any counsel, advisor or consultant to assist the Committee in carrying out its responsibilities, and the sole authority to approve such counsel's, advisor's or consultant's fees and other retention terms. The Company shall provide for appropriate funding, as determined by the Committee, for payment of professional services of any counsel, advisors or consultants retained by the Committee.

The Committee may form and delegate authority to subcommittees consisting of one or more members when appropriate, provided that the decision of such subcommittee shall be presented to the full Committee at its next meeting.

As adopted by the Board of Directors on May 31, 2012