

**GAS NATURAL INC.  
GOVERNANCE AND NOMINATING COMMITTEE CHARTER**

**September 9, 2015**

***Introduction***

This Governance and Nominating Committee Charter (the “**Charter**”), approved by the Board of Directors (the “**Board**”) of Gas Natural Inc. (the “**Company**”), governs the operations of the Company’s Governance and Nominating Committee (the “**Committee**”).

***Membership***

The Committee shall consist of two or more directors. Each member of the Committee shall be independent in accordance with the rules of the NYSE MKT Company Guide or other applicable listing standards, the rules of the Securities and Exchange Commission (“**SEC**”) and the Company’s independence guidelines for members of the Committee.

The members of the Committee shall be appointed by the Board. The members of the Committee shall be appointed for one-year terms and shall serve for such term or terms as the Board may determine or until earlier resignation or death. The Board may remove any member from the Committee at any time with or without cause.

The Chairman of the Committee shall be appointed from the Committee membership by the Board.

***Structure and Operations***

The Committee shall meet a minimum of twice a year and may hold additional meetings as frequently as the Committee deems necessary and at such times and places as it deems necessary to fulfill its responsibilities. The Committee shall produce meeting minutes and report regularly to the Board regarding its actions and make recommendations to the Board as appropriate. The Committee is governed by the same rules regarding meetings (including meetings in person or by telephone or other similar communications equipment), action without meetings, notice, waiver of notice, and quorum and voting requirements as are applicable to the Board.

The Committee may invite such members of management to its meetings as it deems appropriate. However, the Committee shall meet regularly without such members present, and in all cases the CEO and any other such officers shall not be present at meetings at which their compensation or performance is discussed or determined.

The Committee shall review this Charter at least annually and recommend any proposed changes to the Board for approval.

## *Purpose*

The purpose of the Committee of the Board of the Company is to carry out the responsibilities delegated by the Board relating to (i) overseeing the composition of the Board and its committees; (ii) identifying, evaluating and recommending individuals to become Board members; (iii) developing, evaluating and maintaining corporate governance policies and any related matters required by the federal securities laws and exchange rules; (iv) evaluating and recommending candidates for executive officer positions; and (v) coordinating performance evaluations of the Board and its committees.

## *Duties and Responsibilities*

Nothing in this Charter is intended to preclude or impair the protections and obligations of Ohio Revised Code Section 1701.59 regarding reliance by the Committee on information, opinions, reports, or statements, including financial statements and other financial data, that are prepared and presented by one or more directors, officers, or employees of the corporation, counsel, public accountants, or another committee of the Board.

The following shall be the principal duties and responsibilities of the Committee. These are set forth as a guide with the understanding that the Committee may supplement them as appropriate.

- To determine the qualifications, qualities, skills, and other expertise required to be a director and to develop, and recommend to the Board for its approval, criteria to be considered in selecting nominees for director (the “**Director Criteria**”).
- To identify and screen individuals qualified to become members of the Board, consistent with the Director Criteria. The Committee shall consider any director candidates recommended by the Company’s stockholders pursuant to the procedures or guidelines set forth in the Company’s proxy statement. The Committee shall also consider any nominations of director candidates validly made by stockholders in accordance with applicable laws, rules and regulations and the provisions of the Company’s Code of Regulations (the “**Code of Regulations**”) and other charter documents.
- To make recommendations to the Board regarding the selection and approval of the nominees for director to be submitted to a stockholder vote at the annual meeting of stockholders, subject to approval by the Board.
- To make recommendations to the Board regarding the number of Directors to comprise the Board within the range established by the Code of Regulations.
- To develop and recommend to the Board a set of corporate governance guidelines applicable to the Company, to review these guidelines at least once a year and recommend any changes to the Board, and to oversee the Company’s corporate governance practices and procedures, including reviewing and recommending to the Board for approval any changes to the other documents and policies in the Company’s corporate governance framework, including its articles of incorporation and Code of Regulations.

- To develop, subject to approval by the Board, a process for an annual evaluation of the Board and its committees and to oversee the conduct of this annual evaluation.
- To review the Board’s committee structure and composition and to make recommendations to the Board regarding the appointment of directors to serve as members of each committee and committee chairmen annually.
- If a vacancy on the Board and/or any Board committee occurs, to identify and make recommendations to the Board regarding the selection and approval of candidates to fill such vacancy either by election by stockholders or appointment by the Board.
- To establish, develop and oversee appropriate Director education and new Director orientation programs.
- To evaluate and recommend to the Board candidates for Company executive officer positions.
- To develop and recommend to the Board for approval an Officer succession plan (the “**Succession Plan**”), to review the Succession Plan periodically with the CEO, develop and evaluate potential candidates for executive positions and recommend to the Board any changes to, and any candidates for succession under, the Succession Plan.
- To assist the Board in connection with the oversight and evaluation of the management.
- To develop and recommend to the Board for approval a Company policy on approval of related party transactions.
- To review and make a recommendation to the Board for the Board’s approval or denial of any transaction between the Company and any related person (as defined in Item 404 of Regulation S-K) in accordance with the Company’s related party transaction approval policy.
- To develop and recommend to the Board for approval director independence standards in addition to those required by the NYSE MKT Company Guide, or other applicable listing standards, the SEC rules, and federal or state legislation.
- To review and discuss with management the disclosure regarding the operations of the Committee and director independence, and to approve this disclosure for inclusion in the Company’s proxy statement or annual report on Form 10-K, as applicable.
- To develop and recommend to the Board for approval a Company Code of Conduct and Ethics (the “**Code**”), to monitor compliance with the Company’s Code, to investigate any alleged breach or violation of the Code, to enforce the provisions of the Code and to review the Code periodically and recommend any changes to the Board.

- To review and analyze on a periodic basis, the Company's directors and officers liability insurance and related matters.
- To regularly assist the Board in its oversight of the Company's process for management and communication of key risks facing the Company, as well as the guidelines, policies and processes for monitoring and mitigating such risks, except for those responsibilities delegated to other Board committees, as set forth in their respective committee charters, or as is required by the Company's corporate governance documents, the NYSE MKT Company Guide, or other applicable listing standards, the SEC rules, and federal or state legislation.
- To coordinate with management, as well as the other Board committees, to ensure: (1) appropriate allocation of enterprise risk oversight responsibilities among the Board and its committees, and (2) the Board or the appropriate committee has received the information necessary to permit it to fulfill its respective duties and responsibilities regarding risk management and the assessment and review of related policies and procedures. The Committee is entitled to rely on the reports given to it by management regarding risk assessment and management.
- To perform any other activities consistent with this Charter, the Company's corporate governance documents, the NYSE MKT Company Guide, or other applicable listing standards, the SEC rules, and federal or state legislation, and report to the Board the items addressed by the Committee at each meeting at which such matters are addressed.

### ***Delegation of Authority***

The Committee shall have the authority to delegate any of its responsibilities, along with the authority to take action in relation to such responsibilities, to one or more subcommittees as the Committee may deem appropriate in its sole discretion.

### ***Outside Advisors***

The Committee shall have the authority, in its sole discretion, to retain and obtain the advice and assistance of outside counsel and such other advisors as it deems necessary to fulfill its duties and responsibilities under this Charter. The Committee shall set the compensation, and oversee the work, of its outside counsel and other advisors. The Committee shall receive appropriate funding from the Company, as determined by the Committee in its capacity as a committee of the Board, for the payment of compensation to its consultants, outside counsel and any other advisors.

The Committee shall have the authority, in its sole discretion, to select, retain and obtain the advice of a director search firm as necessary to assist with the execution of its duties and responsibilities as set forth in this Charter. The Committee shall set the compensation, and oversee the work, of the director search firm.

The Committee shall not be required to implement or act consistently with the advice or recommendations of its director search firm, outside counsel or other advisor, and the authority granted in this Charter shall not affect the ability or obligation of the Committee to exercise its own judgment in fulfillment of its duties under this Charter.

The director search firm, outside counsel and any other advisors retained by the Committee shall be independent as determined in the discretion of the Committee.

### ***Performance Evaluations***

The Committee shall conduct an annual evaluation of the performance of its duties under this Charter and shall present the results of the evaluation to the Board. The Committee shall conduct this evaluation in such manner as it deems appropriate. The Committee is responsible for an annual performance evaluation of the Board and for assuring that at least annually each committee of the Board performs a performance evaluation and reports that evaluation to the Committee.

### ***Adoption***

This Governance and Nominating Committee charter has been reviewed and approved by the Board of Directors of Gas Natural Inc. on September 9, 2015.