

**NEXPOINT CAPITAL, LLC**  
**AUDIT COMMITTEE CHARTER**

The Board of Directors (the “**Board**”) of NexPoint Capital, LLC (the “**Company**”) has adopted this charter to govern the activities of the Audit Committee (“**Audit Committee**”) of the Board.

1. Audit Committee Membership and Qualifications:
  - (a) The Audit Committee shall consist of at least three (3) members appointed by the Board. The Board may replace members of the Audit Committee for any reason.
  - (b) No member of the Audit Committee shall be an “interested person” of the Company, as that term is defined in Section 2(a)(19) of the Investment Company Act of 1940, as amended, nor shall any member receive any compensation from the Company except compensation for service as a member of the Board or a committee of the Board. Each member must otherwise be “independent” under the rules of the New York Stock Exchange (the “**NYSE**”) and the rules adopted under Section 301 of the Sarbanes-Oxley Act of 2002 (the “**2002 Act**”), and must be free from any material relationship that would, in the opinion of the Board, interfere with the exercise of his or her judgment as a member of the Audit Committee.
  - (c) Each member of the Audit Committee must be “financially literate” (or shall become so within a reasonable time after appointment to the Audit Committee), have a basic understanding of finance and accounting practices and be able to read and understand financial statements. Although the Company does not currently have any securities listed on a national securities exchange, if and when the Company does list any of its securities on a national securities exchange, the members of the Committee shall meet the requirements of such national securities exchange, including that one member must have “accounting or related financial management expertise,” as determined by the Board in its business judgment.
  - (d) The Board also must annually determine whether one or more members of the Audit Committee is an “audit committee financial expert” (“**ACFE**”), within the meaning of the rules adopted and implemented by the SEC under Section 407 of the 2002 Act and as defined in Item 407(d)(5)(ii) of Regulation S-K (“**Regulation S-K**”), and whether such ACFE is “independent.” For purposes of this finding only, in order to be considered “independent,” any such ACFE may not, other than in his capacity as a member of the Audit Committee, the Board or any other Board committee, accept directly or indirectly any consulting, advisory or other compensatory fee from the Company. If the Board has determined that a member of the Audit Committee is an ACFE, it may presume that such member has accounting or related financial management expertise. Notwithstanding any designation as an ACFE, each member of the Audit Committee is expected to

contribute significantly to the work of the Audit Committee. Designation as an ACFE will not increase the duties, obligations or liability of the designee beyond the duties, obligations and liability otherwise imposed on the designee as a member of the Audit Committee of the Board.

2. The purposes of the Audit Committee are to:
  - (a) oversee the accounting and financial reporting processes of the Company and the audits of the Company's financial statements;
  - (b) assist Board oversight of (i) the integrity of the Company's financial statements, (ii) the Company's compliance with legal and regulatory requirements, (iii) the independent accountants' ("**Independent Accountants**") qualifications and independence and (iv) the performance of the Company's internal audit function and the Independent Accountants; and
  - (c) prepare the report required by Item 407(d)(3)(i) of Regulation S-K to be included in the Company's annual proxy statement.
  
3. Role and Responsibilities of the Audit Committee:
  - (a) The function of the Audit Committee is oversight; it is Company management's responsibility to maintain appropriate systems for accounting and internal control over financial reporting and the Independent Accountants' responsibility to plan and carry out a proper audit. Specifically, the Company's management is responsible for (i) preparation, presentation and integrity of the Company's financial statements, (ii) maintenance of appropriate accounting and financial reporting principles and policies and (iii) maintenance of internal controls and procedures designed to assure compliance with accounting standards and applicable laws and regulations. The Independent Accountants are responsible for planning and carrying out audits consistent with applicable legal and professional standards and the terms of their engagement letter.
  - (b) Although the Audit Committee is expected to take a detached and questioning approach to the matters that come before it, the review of the Company's financial statements by the Committee is not an audit, nor does the Committee's review substitute for the responsibilities of the Company's management for preparing, or the Independent Accountants for auditing, the financial statements. In fulfilling their responsibilities hereunder, it is recognized that members of the Audit Committee are not employees of the Company and are not, and do not represent themselves to be, accountants or auditors by profession. As such, it is not the duty or responsibility of the Audit Committee or its members to conduct "field work" or other types of auditing or accounting reviews or procedures.
  - (c) Each member of the Audit Committee shall be entitled to rely on the (i) integrity of those persons and organizations within and outside the Company from which he or she receives information and (ii) accuracy of the financial and other information provided to the Committee by such persons and organizations absent

actual knowledge to the contrary (which shall be promptly reported to the Board). In addition, the evaluation of the Company's financial statements by the Audit Committee is not of the same scope as, and does not involve the extent of detail as, audits performed by the Independent Accountants, nor does the Audit Committee's evaluation substitute for the responsibilities of the Company's management for preparing, or the Independent Accountants for auditing, the financial statements.

4. To carry out its purposes, the Audit Committee shall have the following duties and powers:
  - (a) to have direct responsibility for the appointment, compensation, retention and oversight of the Company's Independent Accountants and, in connection therewith, to review and evaluate matters potentially affecting the independence and capabilities of the auditors;
  - (b) to at least annually, obtain and review a report by the Independent Accountants describing: (i) the independent auditing firm's internal quality-control procedures; (ii) any material issues raised by the most recent internal quality-control review, or peer review, of the firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the firm, and any steps taken to deal with any such issues; and (iii) (to assess the Independent Accountants' independence) all relationships between the Independent Accountants and the Company and addressing at least the matters set forth in the Public Company Accounting Oversight Board's ("**PCAOB**") Rule No. 3526; and to evaluate the Independent Accountants' qualifications, performance and independence, including the review and evaluation of the lead partner of the Independent Accountants, taking into account the opinions of Company management and the internal auditors; and to further consider whether, in order to assure continuing auditor independence, there should be regular rotation of the lead audit partner or the audit firm itself, and to present conclusions of the review to the Board;
  - (c) to meet with the Company's Independent Accountants, including separate meetings as necessary, to: (i) review the arrangements for and scope of the annual audit and any special audits; (ii) review with the Independent Accountants any difficulties the auditors encountered in the course of the audit work, including any restrictions on their activities or access to requested information and any significant disagreements with Company management; (iii) review all critical accounting policies and practices applied by the Company in preparing its financial statements; (iv) discuss any accounting adjustments noted or proposed by the Independent Accountants that were "passed" as immaterial or otherwise; (v) any communications between the audit team and the independent auditing firm's national office respecting auditing or accounting issues presented by the engagement; (vi) review any material written communications between the Independent Accountants and the Company, including any "management" or "internal control" letter issued, or proposed to be issued, by the Independent

Accountants to the Company, report or recommendation on internal controls, schedule of unadjusted differences, engagement letter and independence letter; (vii) review the responsibilities, budget and staffing of the internal audit function and (viii) review the form of report the Independent Accountants propose to render to the Board and Company shareholders;

- (d) to review (i) major issues regarding accounting principals and financial statement presentations, including any significant changes in the Company's selection or application of accounting principles, and major issues as to the adequacy of the Company's internal controls and any special audit steps adopted in light of material control deficiencies; (ii) analyses prepared by Company management and/or the Independent Accountants setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effect of alternative generally accepted accounting principles ("GAAP") methods on financial statements; and (iii) the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the financial statements of the Company;
- (e) to obtain from the Independent Accountants assurance that Section 10A(b) of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**") has not been implicated;
- (f) to review and discuss with the Independent Accountants any other matters required to be discussed by PCAOB Auditing Standards No. 16, Communications with Audit Committees;
- (g) to review all potential conflict-of-interest situations arising in respect of the Company's affairs and involving the Company's affiliates or employees, including all transactions with related persons.
- (h) to (i) review and pre-approve (including associated fees) all audit and other services, subject to the de minimus exceptions under Section 10A(i)(1)(B) of the Exchange Act, to be provided by the Independent Accountants to the Company and (ii) establish, to the extent permitted by law and deemed appropriate by the Audit Committee, detailed pre-approval policies and procedures for such services;
- (i) to review and consider whether the Independent Accountants' provision of any non-audit services to the Company not pre-approved by the Audit Committee are compatible with maintaining the independence of the Independent Accountants;
- (j) to review and discuss: (i) the adequacy and effectiveness of the Company's system of internal controls, (ii) the annual audited financial statements with management and the Independent Accountants, including management's discussion of Company performance; (iii) the semi-annual financial statements, including management's discussion of Company performance, if any, with management and the Independent Accountants; and (iv) the type and presentation of information to be included in any earnings press releases (paying particular attention to any use of "pro forma" or "adjusted" non-GAAP information),

including any financial information and earnings guidance provided to analysts and rating agencies (which discussions may be general in nature, such as the types of information to be disclosed and the type of presentation to be made), provided that each earnings release or guidance need not be discussed in advance;

- (k) to set clear hiring policies for employees or former employees of the Independent Accountants, if and to the extent a Company intends to have employees;
- (l) to establish procedures for the receipt, retention, and treatment of complaints received by the Company relating to accounting, internal accounting controls or auditing matters, and the confidential, anonymous submission by employees of the Company or NexPoint Advisors, L.P., the Company's investment adviser, the administrator, or any other provider of accounting related services for the Company, of concerns regarding questionable accounting or auditing matters pertaining to the Company;
- (m) to periodically meet separately with the Company's management, with internal auditors (or other personnel responsible for the internal audit function) and with the Independent Accountants;
- (n) to discuss policies with respect to risk assessment and risk management, including guidelines and policies governing the process by which senior management of the Company assesses and manages the Company's exposure to risk and to discuss the Company's major financial risk exposures and assess the steps management has taken to monitor and control such exposures;
- (o) to review the Independent Accountants' disclosure relating to the Company's internal controls, and disclosures made to the Committee by the Company's Chief Executive Officer and Chief Financial Officer during their certification process for the Form 10-K and Form 10-Q about any significant deficiencies in the design or operation of internal controls over financial reporting or material weaknesses therein and any fraud, whether or not material, involving management or other employees with a significant role in such internal controls;
- (p) to report its activities regularly to the Board, including any issues that arise with respect to (i) the quality or integrity of the Company's financial statements, (ii) the Company's compliance with legal or regulatory requirements, or (iii) the performance and independence of the Independent Accountants (including the Audit Committee's conclusions with respect to 4(b) above) and to make such recommendations with respect to the above and other matters as the Audit Committee may deem necessary or appropriate;
- (q) to prepare and review with the Board an annual performance evaluation of the Audit Committee, conducted in such manner as the Committee deems appropriate, which evaluation must compare the performance of the Audit Committee with the requirements of this Charter;

- (r) to perform such other functions and to have such powers as may be necessary or appropriate in the efficient and lawful discharge of the powers provided in this Charter;
  - (s) to review the form of opinion the Independent Accountants propose to render to the Board and the Committee and stockholders;
  - (t) to review the disclosure under “Management’s Discussion and Analysis of Financial Condition and Results of Operations” to be included in the Company’s annual report on Form 10-K or quarterly report on Form 10-Q before the Form 10-K or Form 10-Q is filed;
  - (u) to recommend to the Board whether to include the audited financial statements in the Company’s Form 10-K; and
  - (v) to issue for public disclosure by the Committee the report required by the SEC to be included in the Company’s annual proxy statement.
5. The Audit Committee shall meet at least four (4) times each year, and is empowered to hold special meetings, as circumstances require. The Audit Committee may request that non-members attend a meeting of the Audit Committee or meet with any members of, or consultants to, the Audit Committee. Members of the Audit Committee may participate in a meeting of the Audit Committee by means of conference call, or similar communications equipment by means of which all persons participating in the meeting can hear each other, and may act by written consent to the extent permitted by the provisions of the 1940 Act, any applicable rules of a self regulatory organization such as the NYSE, and the Company’s bylaws. Any action required or permitted to be taken at a meeting of the Committee may also be taken without a meeting if all members of the Committee consent thereto in writing. The Committee shall keep regular minutes of its meetings and records of decisions taken without a meeting and cause them to be recorded in the Company’s minute book.
6. A majority, but not less than two (2), of the members of the Committee shall be present at any meeting of the Committee in order to constitute a quorum for the transaction of business at such meeting, and the act of a majority present shall be the act of the Committee.
7. The Audit Committee shall have the authority to engage independent counsel and other advisers, as it determines necessary, to carry out its duties. The Company shall provide appropriate funding, as determined by the Audit Committee, for payment of compensation to (a) the Independent Accountants for preparing or issuing an audit report or performing other audit, review or attest services for the Company or (b) any advisers employed by the Audit Committee. The Company shall also provide appropriate funding for ordinary administrative expenses of the Audit Committee that are necessary and appropriate in carrying out its duties.

8. The Audit Committee shall review and reassess the adequacy of this Charter at least annually and recommend any changes to the Board. The Board also shall review and approve this Charter at least annually.
9. The Audit Committee, in its discretion, may delegate all or a portion of its duties and responsibilities to a subcommittee of the Audit Committee, including the authority to pre-approve any audit or non-audit services to be performed by the Independent Accountants, provided any such approvals are presented to the Audit Committee at its next scheduled meeting.
10. [With respect to any subsequent changes to the composition of the Audit Committee, and otherwise approximately once each year, a NYSE-listed Company shall provide the NYSE with a written affirmation regarding, among other things:
  - (a) any determination that the Board has made regarding the independence of directors pursuant to the NYSE rules or applicable law;
  - (b) the financial literacy of the Audit Committee members;
  - (c) the determination that at least one of the Audit Committee members has accounting or related financial management expertise; and
  - (d) the annual review and reassessment of the adequacy of this Charter.]
11. Responsibilities for Assisting in Valuation of the Company's Assets
  - (a) Establish guidelines regarding the valuation of the Company's portfolio investments;
  - (b) Make recommendations to the Board regarding the fair value of the Company's portfolio investments in accordance with the valuation policies and procedures adopted by the Board, as amended from time to time;
  - (c) Review and consider valuation information compiled by the Company's investment adviser, as well as the fair value recommendations of the Company's investment adviser, in making valuation recommendations to the Board; and
  - (d) Review and consider the fair value recommendations of independent valuation firms, if any, engaged by the Audit Committee or the Board, in making valuation recommendations to the Board.
12. This Charter will be made available on the Company's website at [www.nexpointadvisors.com](http://www.nexpointadvisors.com).