

**CHARTER OF THE NOMINATING COMMITTEE  
OF  
THE RESERVE PETROLEUM COMPANY**

**(As adopted on November 16, 2004)**

**1. Purpose**

The Nominating Committee (the “Committee”) shall assist the full Board of Directors in fulfilling its responsibilities to assure that The Reserve Petroleum Company (“the Company”) is governed in a manner consistent with the interests of its shareholders. Without limiting the foregoing, the Committee shall advise the Board with respect to: (a) Board organization, membership and function; (b) the Company’s Statement of Governance Principles, its operation and any modifications to such policy; and (c) other matters relating to corporate governance and the rights and interests of the Company’s shareholders.

**2. Organization**

The Committee shall consist of at least three Directors, a majority of which shall be Independent Directors (as defined in and determined pursuant to the Company’s Statement of Governance Principles). The Committee members shall be elected by the Board annually for terms of one year, or until their successors shall be duly elected and qualified. The Board, upon recommendation by the Nominating Committee, may remove any committee member at any time. Unless a Committee Chairman is elected by the full Board, the Committee members may designate a Chairman.

**3. Meetings and Other Actions**

The Committee shall meet at least once a year and at such additional times as may be necessary to carry out its responsibilities. Meetings may be called by the Chairman of the Committee or the Chairman of the Board. All meetings of and other actions by the Committee shall be held or otherwise taken pursuant to the Company’s bylaws, including bylaw provisions governing notices of meetings, waivers thereof, the number of Committee members required to take actions at meetings or by written consent, and other related matters. Unless otherwise authorized by an amendment to this Charter, the Nominating Committee shall not delegate any of its authority to any subcommittee. Reports of meetings and actions taken at meetings or by consent by the Committee since the most recent Board meeting (except to the extent covered in an interim report circulated to the Board) shall be made by the Committee Chairman or his or her delegate to the Board at its next regularly scheduled meeting following the Committee meeting or action and shall be accompanied by any recommendations from the Committee to the Board. In addition, the Committee Chairman or his or her delegate shall be available to

answer any questions the other Directors may have regarding the matters considered and actions taken by the Committee.

#### **4. Goals, Responsibilities and Authority**

In carrying out its mission, the Committee shall have the following goals, responsibilities and authority:

##### ***Board of Directors***

A. Evaluate periodically the desirability of and recommend to the Board any changes in the size and composition of the Board.

B. Select and evaluate Directors in accordance with the general and specific criteria as provided in and determined pursuant to the Company's Statement of Governance Principles. Subject to the right of the Committee and the Board to decide otherwise when deemed appropriate, the Chief Executive Officer of the Company generally should be a Director and, depending on the circumstances, certain other members of management, as well as certain individuals having relationships with the Company that prevent them from being independent Directors, may be appropriate members of the Board.

C. Evaluate each new Director candidate and each incumbent Director before recommending that the Board nominate or re-nominate such individual for election or reelection (or that the Board elect such individual on an interim basis) as a Director based on the extent to which such individual meets the criteria identified above and remedying any deficiencies therein. Each annual decision to re-nominate incumbent Directors should be based on a careful consideration of each such individual's contributions, including the value of his or her experience as a Director of the Company, the availability of new Director candidates who may offer unique contributions, and the Company's changing needs.

D. Diligently seek to identify potential Director candidates who will strengthen the Board and remedy any perceived deficiencies in the criteria identified above. This should include establishing procedures for soliciting and reviewing potential nominees from Directors and shareholders and for advising those who suggest nominees of the outcome of such review. The Nominating Committee shall have sole authority to retain and terminate any search firm used to identify Director candidates and to approve any such search firm's fees and other terms of retention.

E. Submit to the Board the candidates for Director to be recommended by the Board for election at each annual meeting of shareholders and to be added to the Board at any other times due to Board expansions, Director resignations or retirements or otherwise.

F. Monitor performance of Directors based on the general criteria and the specific criteria applicable to each such Director. If any serious problems are identified, work with such Director to resolve such problems or, if necessary, seek such Director's resignation or recommend to the Board such person's removal.

### *Corporate Governance*

G. Develop and recommend to the Board a Statement of Governance Principles and any changes therein, setting forth the corporate governance principles applicable to the Company.

H. Monitor and make recommendations to the Board on other matters of Board policies and practices relating to corporate governance.

I. Review and make recommendations to the Board regarding proposals of shareholders that relate to corporate governance.

### *Other Matters*

J. The Committee also shall oversee the Company's policies and practices regarding philanthropic and political activities and undertake such additional activities within the scope of its primary functions as the Committee may from time to time determine.

## **5. Additional Resources**

The Committee shall have the right to use reasonable amounts of time of the Company's internal and independent accountants, internal and outside lawyers and other internal staff and also shall have the right to hire independent experts, lawyers and other consultants to assist and advise the Committee in connection with its responsibilities.