
Item 1 – Cover Page

NGP Energy Capital Management, L.L.C.

SEC File No. 801- 73799

2850 N. Harwood Street
19th Floor
Dallas, TX 75201
(972) 432-1440

www.ngpenergycapital.com

Form ADV Part 2A Disclosure Brochure

March 30, 2022

This brochure provides information about the qualifications and business practices of NGP Energy Capital Management, L.L.C. If you have any questions about the contents of this brochure, please contact us at investor.relations@ngptrs.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about NGP Energy Capital Management, L.L.C. is also available on the SEC's website at www.adviserinfo.sec.gov.

NGP Energy Capital Management, L.L.C. is a registered investment adviser with the United States Securities and Exchange Commission. Registration of an Investment Adviser does not imply any level of skill or training.

Our brochure may be requested by contacting the Compliance Department at investor.relations@ngptrs.com.

Item 2 – Material Changes

Item 10 reflects the addition of a new related person, NGP Royalties GP II, L.P., which is the general partner of NGP Royalty Partners II, L.P., a recently formed fund that will be managed by NGP ECM. There have been no other material changes to NGP ECM's Brochure since the last annual update.

We recommend that you read this brochure in its entirety.

Item 3 -Table of Contents

Item 1 – Cover Page.....	i
Item 2 – Material Changes.....	ii
Item 4 – Advisory Business.....	1
Item 5 – Fees and Compensation	1
Item 6 – Performance-Based Fees and Side-By-Side Management.....	3
Item 7 – Types of Clients	4
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss.....	4
Item 9 – Disciplinary Information	11
Item 10 – Other Financial Industry Activities and Affiliations.....	11
Item 11 – Code of Ethics	13
Conflicts of Interest.....	13
Allocations of Fund Investment Opportunities	13
Allocations of Royalties and Minerals Investment Opportunities.....	14
Parallel Fund Structures.....	14
Cross-Fund Investing.....	14
Advisory Board Approvals.....	15
Co-Investment Opportunities	15
Item 12 – Brokerage Practices	18
Soft Dollars.....	18
Item 13 – Review of Accounts	19
Research and Due Diligence.....	19
Investment Review and Approval.....	19
Portfolio Monitoring.....	19
Item 14 – Client Referrals and Other Compensation.....	20
Item 15 – Custody	20
Item 16 – Investment Discretion	20
Item 17 – Voting Client Securities	20
Item 18 – Financial Information	21
Brochure Supplement(s)	

Item 4 – Advisory Business

NGP Energy Capital Management, L.L.C. (“NGP ECM”) is a manager of private equity investment funds organized to make direct equity investments in the energy industry. The business now conducted by NGP ECM began with the formation of the first Natural Gas Partners investment fund, Natural Gas Partners, L.P., in November 1988. NGP ECM is principally owned by NGP Management Company, L.L.C. and is also minority owned by ECM Capital, L.P. and ECMA Holdings, L.L.C.

NGP ECM is a private equity investment adviser that provides discretionary investment management and advisory services to pooled private equity funds which are exempt from registration under the Investment Company Act of 1940, as amended (the “Investment Company Act”), and the Securities Act of 1933, as amended. These funds invest the majority of their assets directly in securities of privately-owned companies. Because the funds are pooled investment vehicles, in general each investor participates in each fund’s investments on the same terms and conditions, as set forth in the governing documents. Co-investment funds are expected to be formed from time to time to co-invest alongside the funds. NGP ECM is managed by an Executive Committee with three voting members that currently consists of Chris G. Carter, Craig S. Glick, and Jill W. Lampert.

Management and advisory services for the funds, including all day-to-day operations and investing activities, are delegated by the general partners of the funds to NGP ECM. NGP ECM employs all members of its management team and personnel and it provides similar management and advisory services for each of the funds that are currently active.

The general partners of the funds managed by NGP ECM are “related persons” and are not separately registered as investment advisers with the SEC on the basis that their activities and ownership substantially overlap with those of NGP ECM. The general partners have undertaken to operate in conformance with all rules and regulations under the Advisers Act of 1940, as amended (the “Advisers Act”) and the compliance policies and procedures maintained by NGP ECM on its and their behalf. For more information about these general partner entities, see Item 10 below.

NGP ECM owns interests in related entities, including an interest in the general partner of NGP Energy Technology Partners II, L.P. (a private equity fund managed by Energy Technology Partners, LLC, that invests growth equity capital in companies providing technology-related products and services to the oil and gas, power and alternative energy industries) and an interest in the general partner and the manager of NGP Midstream & Resources, L.P. (a fund that made direct investments in the energy infrastructure, and mining and minerals industries). An affiliate of NGP ECM owns an interest in the related entity Tillridge GAP II GP, L.P., the general partner of Tillridge Global Agribusiness Partners II, L.P. (a private fund that is actively investing primarily in companies that provide products and services to the midstream agribusiness industry).

As of December 31, 2021, NGP ECM managed approximately \$9,690,938,082 in client assets on a discretionary basis. NGP ECM does not manage any client assets on a non-discretionary basis.

Item 5 – Fees and Compensation

Management Fees

NGP ECM receives from each fund an annual management fee that is payable quarterly in advance. The general partners of the funds generally make capital calls on the funds’ investors for the amount of NGP ECM’s management fees and pay the amounts received to NGP ECM.

The management agreements may be terminated, with or without cause, as provided by the fund agreements and management agreements. If a management agreement is terminated before the end of a quarter, NGP ECM will be entitled to the management fees earned up to the date of termination and will repay to the applicable fund the unearned portion of such fees, computed on the basis of the number of days elapsed.

The funds generally invest on a long-term basis. Accordingly, investment advisory and other fees are expected to be paid, except as otherwise described in the relevant limited partnership agreement, over the term of the relevant fund, and investors generally are not permitted to withdraw or redeem interests in the funds.

Performance-Based Fees

As further described in Item 6 below, the general partners are also entitled to receive a carried interest allocation from each fund pursuant to the funds' limited partnership agreements. Such carried interest represents a portion of each fund's net investment profit and is allocated to the relevant general partner's capital account.

Other Fees

To the extent that NGP ECM, any of the general partners of the funds or any of their affiliates receive any financing fees, commitment fees, closing fees or other fees from portfolio company investments, such fees will be applied against management fees otherwise payable by the relevant fund to the extent required by such fund's limited partnership agreement.

Certain Consultants

In certain circumstances NGP ECM, the funds and/or the portfolio companies will retain other companies and individuals ("Special Consultants"), which will, in some cases, be employees or former employees of portfolio companies of other funds managed by NGP ECM or its affiliates, third party consultants (including individual consultants and external executives) or "operating partners." The funds will not bear fees or expenses relating to such consulting services provided by Special Consultants to NGP ECM. As compensation, the Special Consultants are permitted to receive a portion of the general partner carried interest and/or are permitted to be offered the opportunity to invest in a fund on a no fee, no carry basis.

The Special Consultants are expected to be engaged to provide services to, or in connection with, the funds in relation to its activities or one or more portfolio companies in relation to the identification, acquisition, holding, improvement and disposition of such portfolio companies, including operational aspects of such companies ("Services"). The Special Consultants will be paid and/or reimbursed by applicable portfolio companies and/or the relevant fund for the Services, which, in certain circumstances, will include receiving a profits or equity interest in a portfolio company or other incentive-based compensation as further described in the offering documents for the relevant fund. Any payments or reimbursements to such Special Consultants do not offset any fund management fees. See *Conflicts Relating to Service Providers* under Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss for additional information regarding service providers.

Expenses

Pursuant to the provisions of each fund's limited partnership agreement, each fund will pay, or reimburse NGP ECM for its payment of, all expenses (other than administrative and overhead expenses of NGP ECM and such fund's general partner) attributable to the fund's activities, including but not limited to all out-of-pocket fees, costs, expenses and liabilities relating to the management, conduct and operation of the fund and its business, or otherwise attributable to the existence or activities of the fund. An excerpt from NGP ECM's expense policy is included in its Compliance Manual which is made available to its investors in the investor portal.

To the extent that expenses are to be allocated to one or more funds, NGP ECM will endeavor to allocate such expenses in a manner it believes to be fair and equitable, which will generally include an allocation among such vehicles based on their relative net asset value, commitments, number of investors, actual or proposed investment size in a particular transaction or the determination of NGP ECM of the benefit to be received from the activity for which the expense was incurred, subject to the relevant partnership agreement. There can be no assurance that errors will not arise in such allocations or that other methods of allocation would not produce a result that is more or less favorable to one or more funds.

To the extent practicable, any fees, costs and expenses that are incurred in connection with a consummated investment will be charged to the applicable portfolio company within a fund. To the extent such fees, costs and expenses are not charged to a portfolio company, they will be paid by the fund or funds that participated or were expected to participate in such investment unless NGP ECM determines, in its sole discretion, that a different allocation is appropriate. NGP ECM will make such judgments in accordance with the relevant governing agreements, which will from time-to-time result in an allocation of such costs and expenses on a disproportionate basis. To the extent the relevant governing agreements are silent on a certain expense, such judgments will be made by the NGP ECM in its sole discretion. Travel and related expenses in connection with a trip taken by employees, partners, members, shareholders, officers, directors and managers of NGP ECM or its affiliates for purposes of multiple matters will be allocated by NGP ECM in its sole discretion. Despite NGP ECM's efforts to remain fair and equitable in making all such judgments, there can be no assurance that such fees, costs and expenses will in all cases be allocated appropriately. Any such determinations often involve inherent matters of discretion and conflicts of interest. Notwithstanding the foregoing, NGP ECM and its affiliates may in the future develop policies and procedures to address the allocation of expenses that differ from its current practice.

As described below in Item 11, in certain circumstances, the relevant fund's general partner is expected to permit certain investors to co-invest in portfolio companies alongside one or more funds, subject to NGP ECM's related policies and the relevant agreement(s) governing the fund. Where a co-invest vehicle is formed, such entity generally will bear expenses related to its formation and operation, many of which are similar in nature to those borne by the funds. Any obligations, liabilities, out-of-pocket and/or breakup fees, costs and expenses relating to proposed fund investments that are not ultimately consummated ("Broken Deals"), absent an otherwise specific agreement or understanding with applicable co-investors, are generally allocated entirely to the applicable fund that was pursuing the Broken Deal (including any parallel funds and/or alternative investment vehicles) and not to any co-investors that had planned on participating in the Broken Deal.

Brokerage fees are permitted to be incurred in accordance with the practices set forth in Item 12 below, "Brokerage Practices." Investors should review the applicable fund's offering materials and limited partnership agreement for further details regarding the specific fees and expenses applicable to any specific fund.

Item 6 – Performance-Based Fees and Side-By-Side Management

As described further in Item 5 above, the general partners are entitled to receive a carried interest allocation from each fund pursuant to the funds' limited partnership agreements. Such carried interest allocation entitles the general partner to a percentage of the net profits generated by the applicable fund, but it does not have to bear a same percentage of the net losses, if any, suffered by such fund. This provides a financial incentive to the general partner to make investments with a greater risk/reward profile than would be the case in the absence of the carried interest allocation. The code of ethics adopted by NGP ECM, which is described in more detail in Item 11 below, sets forth policies and procedures to address this conflict. Such policies and procedures require NGP ECM and its personnel to act in each fund's best interests.

As discussed in the “Allocations of Fund Investment Opportunities”, “Allocation of Royalties and Minerals Investment Opportunities”, and “Cross Fund Investing” subheadings of Item 11 below, side-by-side management situations are expected to occur, which in certain instances, give rise to the allocation of investment opportunities between funds. In allocating investment opportunities, there could be incentives to favor funds with higher potential performance fees or carried interest allocations over funds with lower potential performance fees or carried interest allocations. As a control, NGP ECM has adopted a policy pursuant to which it seeks to allocate investment opportunities among funds in a fair and equitable manner, bearing in mind, among other things, the permissible asset types, investment objectives, risk tolerance, and return targets of each fund.

Item 7 – Types of Clients

NGP ECM’s clients are a series of private equity funds. These funds consist of investors that are “qualified purchasers” or “knowledgeable employees” as defined under the Investment Company Act and primarily include institutional investors such as endowments, foundations, pension plans, financial institutions, some high net worth individuals and their investment vehicles. The funds and their investors that are subject to performance-based compensation must be “qualified clients” for Advisers Act purposes.

There is not a formal minimum commitment amount of an investor in a fund, but subscriptions of at least \$5 million are generally sought by the general partner.

Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss

Focused Investment Approach

Each fund will target investments in businesses in energy-related industries. All investments made by a fund must satisfy the same investment criteria, and no specified minimum amount of a fund is allocated to any particular industry. Consistent with the prior funds, NGP ECM intends to invest the majority of a fund’s capital in North America but, will be opportunistic globally should quality transactions arise.

Each fund is designed to draw upon the complementary strengths, experience and investment performance of NGP ECM and the management team.

Investment decisions will be reviewed at multiple levels within each fund. An Investment Process Committee, comprised of a broad cross section of investment professionals, will review potential investment opportunities being considered for a fund, provide guidance to the fund’s professionals pursuing these opportunities and determine which investments to recommend for consideration and approval of a fund’s Investment Committee. The Investment Committee of a fund is charged with providing final approval for all fund investments. The Investment Committee is defined in each fund’s offering documents and generally consists of NGP ECM’s Managing Partner, Partners, the Chief Financial & Administrative Officer, and for particular funds, includes two non-voting observers designated by The Carlyle Group. Investment Committee approval requires the affirmative vote, or written consent, of both (a) at least a majority of the voting members of a fund’s Investment Committee, and (b) the majority of Partners on the Executive Committee (with the Managing Partner) approving.

Investment Strategy

NGP ECM seeks to deliver superior risk-adjusted returns by building a diversified portfolio of energy investments without having to rely on timing its investments in conjunction with unpredictable commodity prices and capital market cycles. NGP ECM’s strategy to achieve this goal is to consistently apply financial structures and governing principles that have been developed and tested since 1988.

These include:

- *Quality People:* NGP ECM carefully selects management groups that operate within the natural resources and energy transition sectors.
- *Alignment:* NGP ECM structures investments to align management's interests with those of NGP ECM.
- *Well-Managed Growth:* NGP ECM emphasizes the equity growth of portfolio companies through the effective reinvestment of cash flow and use of conservative financial leverage to acquire and develop assets.
- *Balance:* NGP ECM seeks to construct a balanced portfolio, diversified by geography and commodity, and assembled over a prudent time period.
- *Risk Management:* NGP ECM seeks to actively manage risk through commodity price hedging by portfolio companies of the funds, diversification of fund investments and careful attention to operating risk mitigation procedures.
- *Prudence:* NGP ECM avoids investing in what it views as industry "fads" or relying upon market timing to generate returns. Rather, it seeks to invest in portfolio companies that are able to generate value and take advantage of multiple exit opportunities without being solely dependent upon external factors over which they have no control.

NGP ECM believes identifying portfolio company management teams that are able to flourish under these principles is the most important factor in generating attractive returns, regardless of the commodity cycles.

Risk of Loss

All investments in the funds involve a high degree of risk of loss that investors should be prepared to bear. A fundamental premise of private equity investing is the acceptance of illiquidity and a higher degree of risk in expectation of higher returns. NGP ECM does not provide individualized advice to individual investors regarding whether the amount of the investor's investment is suitable from a total portfolio perspective. Investors are responsible for determining what an appropriate allocation of their total investment portfolio should be for an investment in the funds and NGP ECM disclaims any responsibility for that determination. NGP ECM often may have an economic incentive for an investor to purchase as large an interest in the fund as possible. A brief summary of some of the risks associated with an investment in a fund is set forth below. This discussion does not purport to be a comprehensive listing of all of the risks, potential conflicts of interest and the tax, legal and regulatory considerations that an Investor should consider before making any decision to invest in a fund. Investors in each fund were provided with a Private Placement Memorandum ("PPM") that sets forth a more detailed discussion of these risks, conflicts of interest and the tax, legal and regulatory matters. Neither the brief summary below, nor the discussion in the applicable PPMs purport to be a complete enumeration or explanation of all the risks, conflicts and significant considerations involved in an investment in a fund. Investors in a fund are advised that they should consult with their own legal, financial, tax and other advisors before deciding to make any investment decision.

- *Illiquidity and Long Holding Period.* Investors have no redemption rights, and their ability to sell their partnership interests to third parties is limited. The funds typically have terms exceeding ten years. Investors therefore should be financially able to hold their investments for the long term.

- *Lack of Diversification.* The portfolios of the funds typically hold fewer discrete investments than managed public securities portfolios such as mutual funds. Furthermore, the funds have focused investment objectives and, accordingly, have concentrated exposure to particular sectors or geographic areas. The ability of a fund to make direct investments further increases its portfolio concentration.
- *Lack of Ability to Participate; Key Personnel.* Investors have no right or power to participate in the management or control of the business of the fund and thus must depend solely upon the ability of NGP ECM to make investments and otherwise manage the enterprise. Investors must rely on the abilities and background of NGP ECM's management team and personnel; accordingly, the loss of key personnel could have an adverse impact on a fund's performance.
- *Unspecified Use of Proceeds; Limited Recourse.* Investors in a fund generally will not know what specific investments will be made at the inception of the relationship. Investors have limited rights to withdraw from a fund, cease to make further capital contributions or terminate NGP ECM as manager, even if such investors are dissatisfied with the investments made or investment results. The governing documents of the funds contain provisions limiting NGP ECM's liability to investors, and provide for broad indemnification of NGP ECM against liability, all subject to the requirements of applicable law, including the federal securities laws.
- *Investments Outside the United States.* Investments by the funds in companies based outside the United States involve additional risks, including: currency fluctuation; less robust banking and other financial systems; less reliable financial reporting; less developed judicial and regulatory regimes; potential for restrictions on repatriation of investments or confiscatory taxation; and potential political or economic instability.
- *Management Fees and Expenses.* The funds bear management fees and expenses. The investment return on the underlying investments therefore must be sufficient to offset both levels of fees and expenses before investors will earn a positive investment return. To the extent a management fee is based on invested capital, there could be an incentive for NGP ECM to defer realization of portfolio companies, make more speculative investments, and seek to deploy the commitments in portfolio companies at an accelerated pace. In addition, to the extent a management fee is based on committed rather than invested capital, investors pay management fees on both called and uncalled capital, resulting in high effective fee rates (i.e., fees on invested capital) at the beginning of an investment when little capital has been called and invested. Because of the extensive due diligence and ongoing management activity required for many private equity investments, expenses aside from management fees are generally higher than those of portfolios invested in public markets.
- *Carried Interest.* As described in Items 5 and 6, carried interest will generally create incentives to make riskier or more speculative investments on behalf of such fund than would be the case in the absence of this arrangement, although NGP ECM generally considers performance-based compensation to better align its interests with those of its investors.
- *Legal, Regulatory and Tax Risks.* NGP ECM and the funds are subject to a myriad of complex laws, rules and regulations. Changes in these laws or in the interpretation or enforcement can adversely impact the operation of NGP ECM and the value of a fund's investments in a manner that is not possible to predict. The laws and rules relating to the taxations of investments are extremely complex and may require the fund to take tax positions without clear authority. If these positions are successfully challenged by taxing authorities, additional tax, interest and possibly penalties might be payable by a fund or its Investors. Investors outside of the U.S. often face additional uncertainty in the application of tax and other laws both in the U.S. and in the jurisdictions in which they operate. Additionally, the SEC has indicated that it intends to seek to enact changes to numerous areas of law and regulations that would impact the business of NGP ECM and the funds. In particular, the SEC has signaled an increased emphasis on investment adviser and private fund regulation and has proposed a number of new rules that, if adopted, would impose significant changes on private fund advisers and their management of private funds, and the SEC is expected to propose additional changes in the future. Any such

changes are expected to materially impact NGP ECM and its affiliates, the funds and/or their investments, as well as increasing their expenses. Significant time and resources will likely be required to comply with new regulations, which potentially will detract from the time and resources dedicated to the funds.

- *Valuation.* There is not expected to be an actively traded market for most of the investments owned by the funds. When estimating fair market value, the NGP ECM applies a methodology it determines, in its sole discretion, to be appropriate based on accounting guidelines and the applicable nature, facts and circumstances of the respective investments. However, the process of valuing investments for which reliable market quotations are not available is based on inherent uncertainties and the resulting values will likely differ from values that would have been determined had an active market existed for such securities and will likely differ from the prices at which such investments ultimately are sold. NGP ECM's discretion in respect of such valuations is likely to give rise to conflicts of interest, including in connection with determining the amount and timing of distributions of carried interest and the calculation of the management fee.

- *Cyber Security Breaches and Identity Theft.* NGP ECM and its portfolio companies' information and technology systems will be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. If these systems are compromised, become inoperable for extended periods of time or cease to function properly, NGP ECM, a fund and/or a portfolio company would likely incur specific time or expense to fix or replace them and to seek to remedy the effects of such issues. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in NGP ECM's, a fund's, and/or a portfolio company's operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to investors (and the beneficial owners of investors). Such a failure could harm NGP ECM's, a fund's, and/or a portfolio company's reputation, subject any such entity and its respective affiliates to legal claims or otherwise affect their business and financial performance. In certain events, a failure or deemed failure to address and mitigate cybersecurity risks will be the subject of civil litigation or regulatory or other action. The use of internet- or cloud-based programs, technologies and data storage applications generally heightens these risks, and the risks of attack are expected to be heightened in remote work environments. Any of such circumstances could subject a portfolio company, or the relevant fund, to substantial losses, including losses relating to: misappropriation of assets, intellectual property or confidential information; corruption, deletion or destruction of data; physical damage and repairs to systems; reputational harm; financial losses from remedial actions; and/or disruption of operations. Third parties, including activist, criminal, nation-state or terrorist actors, will likely also attempt fraudulently to induce portfolio companies or their personnel to disclose sensitive information (including passwords) in order to gain access to data, accounts, funds or other assets, or otherwise to inflict harm. In addition, in the event that such a cyber-attack or other unauthorized access is directed at NGP ECM or one of its service providers holding its financial or investor data, NGP ECM, its affiliates or a fund will also be at risk of loss, despite efforts to prevent and mitigate such risks under NGP ECM's policies and practices.

- *Environmental Matters.* Environmental laws, regulations and regulatory initiatives play a significant role in the energy industry and can have a substantial impact on investments in this industry. For example, global initiatives to minimize pollution have played a major role in the increase in demand for natural gas. Conversely, required expenditures for environmental compliance have adversely impacted investment returns in a number of segments of the industry. The energy industry will continue to face considerable oversight from environmental regulatory authorities and special interest groups on the federal and state level. A fund will likely invest in portfolio companies that are directly and indirectly subject to changing and increasingly stringent environmental and health and safety laws, regulations and permit requirements.

- *Environmental Social and Governance ("ESG") Factors.* NGP ECM maintains an ESG policy and will, from time to time, seek to integrate certain ESG factors into its investment process in accordance with its fiduciary duty

and any applicable legal, regulatory or contractual requirements. While NGP ECM maintains an ESG policy, there is no guarantee that the funds will ultimately make investments that have a positive ESG impact. In addition, applying ESG factors to investment decisions is qualitative and subjective by nature, and there is no guarantee that the criteria utilized by NGP ECM, or any judgment exercised by NGP ECM, will reflect the beliefs or values of any particular investor. There are also significant differences in interpretations of what positive ESG characteristics mean by region, industry and topic. NGP ECM's interpretations and decisions are expected to differ from others' views and could also evolve over time. In addition, in evaluating an investment, NGP ECM expects to depend upon information and data provided by a number of sources, including the relevant investments and/or various reporting sources which could be incomplete, inaccurate or unavailable, and which could cause NGP ECM to incorrectly assess a company's ESG practices and/or related risks and opportunities. NGP ECM does not intend independently to verify all ESG information reported by investments or third parties. Further, considering ESG qualities when evaluating an investment could result in the selection or exclusion of certain investments based on NGP ECM's view of certain ESG-related and other factors and could cause the relevant funds not to make an investment that they would have made or to make a management decision with respect to an investment differently than they would have made in the absence of ESG considerations, which could negatively impact NGP ECM's performance. For avoidance of doubt, however, NGP ECM does not expect to subordinate a fund's investment returns or increase a fund's investment risks as a result of (or in connection with) the consideration of any ESG factors. Reporting of various ESG metrics by NGP ECM is for informational purposes only and is solely intended to summarize the ESG processes and strategies of NGP ECM and its portfolio companies, and should not be relied upon for any other purpose.

- *Natural Disasters, Terrorist Acts and Similar Dislocations.* Upon the occurrence of a natural disaster such as flood, hurricane, tornado, wildfire or earthquake, or upon an incident of war, riot, civil unrest or pandemic, the impacted area may not efficiently and quickly recover from such event, which can have a materially adverse effect on investments. Terrorist attacks and related events can result in increased short-term economic volatility. U.S. military and related actions abroad, events in the Middle East, and terrorist actions worldwide could have significant adverse effects on U.S. and world economies, leading to volatile commodity prices and an erosion in confidence in the securities markets. Such erosion of confidence may lead to or extend a localized or global economic downturn. A climate of uncertainty may reduce the availability of potential investment opportunities, and increases the difficulty of modeling market conditions, potentially reducing the accuracy of financial projections. In addition, limited availability of credit for consumers, homeowners and businesses, including credit used to acquire businesses, in an uncertain environment or economic downturn may have an adverse effect on the economy generally and on the ability of a fund and its portfolio companies to execute their respective strategies and to receive an attractive multiple of earnings on the disposition of businesses. This may slow the rate of future investments by such fund and result in longer holding periods for investments. Furthermore, such uncertainty or general economic downturn could have an adverse effect upon such fund's investments.

- *Disease and Epidemics.* The impact of disease and epidemics could have a negative impact on NGP ECM, the funds and their underlying portfolio companies and each of their respective affiliates and the performance and financial position of each of the foregoing. The COVID-19 pandemic, renewed outbreaks of other epidemics or the outbreak of new epidemics have or could result in health or other government authorities requiring the closure of offices or other businesses and have or could also result in a general economic decline. For example, such events could adversely impact economic activity through disruption in supply and delivery chains. Moreover, the operations of any of the foregoing persons could be negatively affected if personnel are quarantined as the result of, or in order to avoid, exposure to a contagious illness. Similarly, travel restrictions or operational issues resulting from the rapid spread of contagious illnesses will likely have a material adverse effect on business and results of operations. A resulting negative impact on economic fundamentals and consumer confidence would likely negatively impact market value, increase market volatility, cause credit spreads to widen, and reduce liquidity, all of which could have an adverse effect on any of the foregoing persons. The duration of the business disruption and related financial impact caused by a widespread health crisis cannot

be reasonably estimated. COVID-19 has spread around the world resulting in wide-spread business and social disruption. The speed and extent of the spread of COVID-19 and the duration and intensity of resulting business disruption and related financial and social impact, are uncertain and such adverse effects have been material and are expected to remain material for the foreseeable future. Governmental agencies and private sector participants have sought to mitigate the adverse effects of COVID-19, which has included such measures as heightened sanitary practices, telecommuting, quarantine, curtailment or cessation of travel and other restrictions, and, more recently, the medical community has developed multiple vaccines that have proven to be effective and are currently being rolled out to various segments of the population. However, delays and other logistical issues relating to vaccination of large segments of the population continue to significantly impact the timeline of a COVID-19 recovery.

- *Conflicts Relating to the Limited Investment Capacity of a Fund.* NGP ECM is engaged in the management of a number of funds which may give rise to conflicts of interest. The investment objectives of previously-existing or later-formed funds could overlap. To the extent an investment opportunity is appropriate for multiple funds, NGP ECM will allocate opportunities to each fund for which the investment is suitable in a fair and equitable manner in accordance with its then existing allocation policies and applicable governing documents. Such determination may not be pro rata among funds. NGP ECM may have a conflict inherent in such determination, and therefore may involve the applicable funds' advisory boards, as provided in the funds' limited partnership agreements, to resolve the conflict as necessary. This allocation of investment opportunities may result in a fund participating in an investment to a lesser extent than would otherwise have been the case if the fund's investment capacity was not limited. See *Cross-Fund Investing* under Item 11 – Code of Ethics for additional information regarding investments that cross over more than one fund.

- *Risks Related to the Energy Industry.* The companies in the energy industry in which the funds invest are inherently subject to numerous risks arising from their operations. For example, companies involved in the production of oil and natural gas face risks that include, without limitation: (i) the uncertainty of estimating hydrocarbon reserves and their value; (ii) the risks of conducting drilling operations (including risks of substantial losses to properties, bodily injury and environmental damage arising from operations that do not proceed as planned and the risk of failing to find commercially productive reserves); (iii) risks associated with the marketing of hydrocarbon production; (iv) risks of compliance with increasingly burdensome environmental regulations and other regulations governing the production of natural resources; (v) geopolitical risks, including those associated with governments who play significant roles in the production and distribution of natural resources; other market dislocations and/or price volatility; and (vi) risks of catastrophic and other force majeure events.

- *Risks Related to Agribusiness.* The existence of desirable investment opportunities for the funds in agribusiness is dependent on the currently anticipated growth in global population and a related increase in demand for food and agricultural products. Growth in population, per capita consumption and changes in diet cannot be predicted with any certainty. In addition, asset valuations in agribusiness often is highly volatile, due to reasons such as commodity price volatility and the uncertainty of global natural disasters and demographic shifts over the life of a fund.

- *Risks Related to Royalty and Mineral Properties.* Fund investments with a focus on acquiring royalty and mineral properties are inherently subject to numerous risks arising from their investment strategy. Because they depend on third-party operators for all of the exploration, development and production on its properties, a fund will have little to no control over the operations related to its properties. The failure of an operator to adequately or efficiently perform operations or an operator's failure to act in ways that are in a fund's best interests could reduce production and revenues. The operators will often not be obligated to undertake any development activities other than those required to maintain their leases. In the absence of a specific contractual obligation, any development and production activities will be subject to their reasonable discretion (subject to certain implied obligations to develop imposed by the laws of some states). An operator could determine to drill and complete fewer wells than planned or expected. The success and timing of drilling and development activities

on a fund's properties, and whether the operators elect to drill any additional wells on a fund's acreage, depends on a number of factors that are largely outside of a fund's control. There can be no assurance that reserves sufficient to provide the expected royalty income will be discovered, developed or produced when anticipated, if at all. The operators may elect not to undertake development activities, or may undertake these activities in an unanticipated fashion, which could result in significant fluctuations in a fund's results of operations and cash flows. Sustained reductions in production by the operators will also adversely affect a fund's returns and cash flows. Additionally, if an operator were to experience financial difficulty, the operator might not be able to pay its royalty payments or continue its operations, which could have a material adverse impact on a fund.

- *Risks Related to Investments in Renewable Energy Projects.* Fund investments with a focus on renewable energy projects are inherently subject to numerous risks arising from their investment strategy. The market for renewable energy is rapidly evolving, and its future success is uncertain. If renewable energy technology proves unsuitable for widespread commercial deployment or if the demand or political support for renewable energy products fails to develop sufficiently (including as a result of changes in market conditions, such as a decrease in the price of fossil fuels), investments in renewable energy projects likely would be adversely affected. Additionally, the operation and financial performance of any renewable energy investment will be significantly dependent on governmental policies and regulatory frameworks that support renewable energy sources. Investments in renewable energy and related businesses and/or assets currently enjoy support from U.S. and non-U.S. governments and regulatory agencies designed to finance or support the financing development thereof, such as various renewable and alternative portfolio standard requirements enacted by several states, renewable energy credits and state-level utility programs, such as system benefits charge and customer choice programs. Some jurisdictions may have variable views on policies regarding renewable energy (and, for example, may be more willing or likely to abandon initiatives regarding renewable energy in favor of more carbon-intensive forms of traditional energy generation). The combined effect of these programs is to subsidize in part the development, ownership and operation of renewable energy projects, particularly in an environment where the low cost of fossil fuel may otherwise make the cost of producing energy from renewable sources uneconomic. Some of the jurisdictions in which renewable energy investments may be located may have Renewable Portfolio Standards ("RPS") requirements that support the sale of electricity generated from renewable energy sources. Electric utility suppliers may satisfy their RPS requirements by purchasing renewable energy or renewable energy credits from producers of electricity generated from renewable sources. There can be no assurance that government support, including the support of any current or former U.S. administration, for renewable energy will continue, that favorable legislation will pass, or that the electricity produced by the renewable energy investments will continue to qualify for support through the RPS programs. The elimination of, or reduction in, government policies that support renewable energy could have a material adverse effect on a renewable energy portfolio investment's financial condition or results of operation. Any reduction in or elimination of these programs will have an adverse effect on development of renewable energy resources. To the extent any tax credits, other favorable tax treatment or other forms of support for renewable energy are changed, a renewable energy investment may be negatively impacted.

- *Risks Related to Investments in the Power Industry.* Certain fund investments may be in, or associated with, the power sector. For much of its history, the power sector, and particularly the utility industry within this broader sector, was characterized by institutional stability and predictability of financial performance. The advent of deregulation, privatization, technological change and market volatility has created a much less stable sector with substantially greater variability of company performance in developed markets as well as emerging markets, where these changes are much more recent. There can be no assurance that the pace or direction of the change will be in accord with the expectations of NGP, nor that the industry changes will benefit investments made by a fund. Investing in power facilities and related assets is subject to a variety of risks, not all of which can be foreseen or quantified, including operating, economic, environmental, commercial, regulatory, political and financial risks. These risks often are magnified in emerging markets. Actual cash flow generating ability of a portfolio company investment will be influenced by (among other things): (i) the technology employed in the power generation assets; (ii) demand/pricing considerations; (iii) changes in regulations and subsidy regimes

affecting the power industry; (iv) competition from other power generation plants that may have lower production costs and operating and maintenance costs; and (v) fluctuations in fuel prices.

• *Russia-Ukraine Conflict.* There is currently an ongoing military conflict between Russia and the Ukraine which, in a relatively short period of time, has caused disruption to global financial systems, trade and transport, among other things. In response, multiple other countries have put in place global sanctions and other severe restrictions or prohibitions on the activities of individuals and businesses connected to Russia. However, the ultimate impact of the Russia-Ukraine conflict and its effect on global economic and commercial activity and conditions, and on the operations, financial condition and performance of the funds or any particular industry, business or investee country and the duration and severity of those effects, is impossible to predict. The Russia-Ukraine conflict may create significant market volatility, particularly in the energy sector, which could create significant swings in valuations. It may also limit the ability of a fund to source, diligence and execute new investments and to manage, finance and exit investments in the future. Developing and further governmental actions (military or otherwise) may cause additional disruption and constrain or alter existing financial, legal and regulatory frameworks and systems in ways that are adverse to the investment strategy which any fund intends to pursue, all of which could adversely affect the fund's ability to fulfill its investment objectives.

Item 9 – Disciplinary Information

NCP ECM and their management persons have not been subject to any material legal or disciplinary events.

Item 10 – Other Financial Industry Activities and Affiliations

The Carlyle Group (together with its affiliates, “TCG”) entered on December 19, 2012 into a strategic partnership with NGP ECM, whereby TCG, through a subsidiary, acquired a 47.5 percent revenue interest in NGP ECM. Pursuant to the terms of the original transaction agreement, on January 5, 2015, TCG acquired an additional 7.5 percent revenue interest in NGP ECM bringing its total revenue interest to 55 percent. TCG also acquired a 40% carried interest in NGP Natural Resources X, L.P., it invested in 47.5% of the carried interest in NGP Natural Resources XI, L.P., it invested in 47.5% of the carried interest in NGP Natural Resources XII, L.P., and has the right to invest in 47.5% of the carried interest in all future funds managed by NGP ECM. Pursuant to the terms of the amended agreement entered on March 3, 2017, TCG has an option to acquire the remaining interest in NGP ECM only under certain extenuating circumstances resulting from the occurrence of a limited partner initiated material adverse event involving an NGP ECM managed fund. Except for two non-voting observer seats on the Investment Committee for NGP Natural Resources XI, L.P., NGP Natural Resources XII, L.P., and NGP Royalty Partners, L.P., TCG presently has no involvement in the governance or operation of NGP ECM and does not control NGP ECM or its funds for purposes of the Advisers Act. The strategic partnership between the firms also includes, among others, a broad agreement to cooperate in marketing NGP ECM's products. As such, NGP ECM reserves the right to retain TCG to act as a placement agent to seek prospective investors for future funds. See Item 14 – Client Referrals and Other Compensation below for additional information regarding placement agents.

G.F.W. Energy IX, L.P. is the general partner of Natural Gas Partners IX, L.P. and NGP IX Offshore Fund, L.P., a Delaware limited partnership, each of which is a fund managed by NGP ECM. The limited partnership interests of *G.F.W. Energy IX, L.P.* are primarily owned by the owners of NGP ECM.

G.F.W. Energy X, L.P. is the general partner of NGP Natural Resources X, L.P. and NGP Natural Resources X Parallel Fund, L.P., each of which is a fund managed by NGP ECM. The limited partnership interests of *G.F.W. Energy X, L.P.* are primarily owned by the owners of NGP ECM.

G.F.W. Energy XI, L.P. is the general partner of NGP Natural Resources XI, L.P. and NGP Natural Resources XI Parallel Fund, L.P., each of which is a fund managed by NGP ECM. The limited partnership interests of *G.F.W. Energy XI, L.P.* are primarily owned by the owners of NGP ECM.

G.F.W. Energy XII, L.P. is the general partner of NGP Natural Resources XII, L.P. and NGP Natural Resources XII Parallel Fund, L.P., each of which is a fund managed by NGP ECM. The limited partnership interests of *G.F.W. Energy XII, L.P.* are primarily owned by the owners of NGP ECM.

NGP Global Agribusiness Partners, L.P. is the general partner of, and controls NGP Agribusiness Follow-On Fund, L.P., which is one of the funds managed by NGP ECM. The limited partnership interests of NGP Global Agribusiness Partners, L.P. are primarily owned by certain employees of NGP ECM.

NGP Royalties GP I, L.P. is the general partner of, and controls NGP Royalty Partners, L.P., which is one of the funds managed by NGP ECM. The limited partnership interests of NGP Royalties GP I, L.P. are primarily owned by the owners of NGP ECM.

NGP Royalties GP II, L.P. is the general partner of, and controls NGP Royalty Partners II, L.P., which is one of the funds managed by NGP ECM and which has not yet been launched. The limited partnership interests of NGP Royalties GP II, L.P. are primarily owned by the owners of NGP ECM.

NGP ETP IV GP, L.P. is the general partner of, and controls NGP ETP IV, L.P., which is one of the funds managed by NGP ECM. The limited partnership interests of NGP ETP IV GP, L.P. are primarily owned by the owners of NGP ECM.

Energy Technology Partners, LLC (“ETP”) is a separately registered investment adviser owned by Philip Deutch. ETP is the manager of NGP Energy Technology Partners II, L.P. (“NGP ETP II”). The investment period for NGP ETP II has ended. Consequently, the fund is no longer making new commitments and is currently managing its remaining portfolio investments. NGP ETP II previously invested primarily in companies that provide products and services to the oil and gas, power and alternative energy sectors. NGP ECM owns a 50% interest in the general partner of NGP ETP II. Two representatives from NGP ECM plus Philip Deutch comprised the three-member investment committee of NGP ETP II during its investment period. Unanimous investment committee approval was required for new ETP fund investments; however, NGP ECM has no control over ETP’s day-to-day management and has no say on investment exit decisions. In 2021, Philip Deutch joined NGP ECM as a Partner.

NGP MR Management, LLC (“NGP MR”) is the manager of NGP Midstream & Resources, L.P. (“M&R”). NGP MR is a “relying adviser” of the SEC registered investment adviser EMG Fund II Management, L.P. d/b/a The Energy and Minerals Group. M&R’s investment period has terminated. Consequently M&R is not making new investments and is currently managing its existing portfolio investments. The fund previously made direct investments in selected areas of the energy infrastructure, and mining and minerals industries. NGP ECM owns a 50% interest in the general partner of M&R and a 50% interest in NGP MR. NGP ECM has the right to appoint a representative to M&R’s investment committee. Unanimous investment committee approval was required for new M&R investments; however, NGP ECM has no control over M&R’s day-to-day management or any investment exit decisions.

Tillridge GAP II GP, L.P. (“TGAP II GP”) is the general partner of Tillridge Global Agribusiness Partners II, L.P. (“TGAP II”). TGAP II GP is a “relying adviser” of the SEC registered investment adviser Tillridge Capital Partners LLC (“Tillridge”) per applicable SEC no-action guidance. TGAP II is actively investing primarily in companies that provide products and services to the midstream agribusiness industry. An affiliate of NGP ECM owns a 35% interest in TGAP II GP. NGP ECM receives from TGAP II an annual asset-based administrative management fee and an affiliate of NGP ECM receives an annual administrative reimbursement

amount. NGP ECM has the right to appoint a representative to the three member investment committee of TGAP II which requires unanimous approval for TGAP II fund investments and dispositions. NGP ECM and Tillridge share office space in Dallas, TX, and NGP ECM provides certain administrative services needed for the operations of Tillridge and TGAP II. In addition, Tillridge management team members have responsibilities to existing agribusiness investments of NGP Natural Resources X, L.P. and NGP Agribusiness Follow-On Fund, L.P. and will continue to be involved in investment management services for such investments for so long as they are owned by the NGP ECM managed funds. The fiduciary duties that the Tillridge management team members owe to TGAP II and the economic interests held by Tillridge management team members in the Tillridge managed funds may create conflicts of interest with NGP ECM, including, without limitation, allocation of time and effort by the Tillridge management team and competition among portfolio companies of the various funds. NGP ECM and Tillridge will attempt to resolve such conflicts of interest in a fair and equitable manner. Where necessary, NGP ECM and Tillridge will involve the applicable funds' advisory boards, as provided in the funds' limited partnership agreements, to resolve a conflict as necessary.

Item 11 – Code of Ethics

NGP ECM has adopted a Code of Ethics for all supervised persons, as defined for Advisers Act purposes, of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The firm's Code of Ethics includes provisions relating to the confidentiality of fund information, a prohibition on insider trading, reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All NGP ECM employees must acknowledge the terms of the Code of Ethics annually, or as amended. Investors may request a copy of the firm's Code of Ethics by contacting NGP ECM Investor Relations at Investor.Relations@ngptrs.com.

Conflicts of Interest

In the ordinary course of NGP ECM conducting its activities, the interests of a fund may conflict with the interest of NGP ECM, one or more other funds, portfolio companies or their respective affiliates. As a general matter, NGP ECM will attempt to resolve any conflicts of interest by considering all factors it deems relevant, but in its sole discretion, subject in certain circumstances to the required approvals by the advisory board of the relevant funds.

The governing documents of the funds managed by NGP ECM generally provide that key management members for the fund must offer to the fund each investment opportunity that involves an investment within the parameters specified for a fund. In addition, NGP ECM has established a committee based system to manage the key decision-making processes of the firm, including the investment process, in an effort to mitigate potential conflicts of interest. See Item 13 – Review of Accounts below.

Allocations of Fund Investment Opportunities

NGP ECM is engaged in the management of a number of funds which may give rise to conflicts of interest. The investment objectives of previously-existing or later-formed funds will overlap from time to time. The governing documents of the funds generally provide that a new fund with the same strategy as an existing fund will not begin investing until the investment period of the prior fund has ended, with the result that new investment opportunities are not required to be allocated among multiple funds of the same strategy. In certain situations where an investment opportunity is appropriate for multiple funds, or where one portfolio company management team manages assets owned separately by more than one fund, investment allocations will be made in a fair and equitable manner in accordance with the applicable funds' governing documents and NGP ECM's investment allocation guidelines.

NGP ECM's allocation of investment opportunities among the persons and in the manner discussed herein often will not result in proportional allocations among such persons, and such allocations likely will be more or less advantageous to some such persons relative to others. While NGP ECM will allocate investment opportunities in a manner that it believes is fair and equitable to its clients under the circumstances over time and considering relevant factors, there can be no assurance that a fund's actual allocation of an investment opportunity, if any, or the terms on which that allocation is made, will be as favorable as they would be if the potential conflicts of interest to which NGP ECM expects to be subject, discussed herein, did not exist. NGP ECM will likely have a conflict inherent in such determination, and therefore may involve the applicable funds' advisory boards, as provided in the funds' governing documents, to resolve the conflict as necessary.

Allocations of Royalties and Minerals Investment Opportunities

NGP ECM expects to be presented with investment opportunities with a focus on acquiring royalty and mineral properties that may initially be viewed as an investment opportunity for a Flagship Fund¹ or a Royalty Fund², and in such circumstances, except as otherwise provided in the governing documents of the applicable funds, NGP ECM will allocate such opportunities between a Flagship Fund or a Royalty Fund on a basis that NGP ECM determines in good faith to be fair and reasonable taking into account the relevant facts and circumstances and parameters of the governing documents of the applicable funds.

Any such allocation determination is initially reviewed by the NGP ECM monitoring team of the portfolio company that originated the investment opportunity. That particular monitoring team will review the opportunity and make a recommendation on the allocation of the transaction by taking into account the guidelines set forth by NGP ECM for allocating mineral and royalty acquisitions between portfolio companies of a Flagship Fund and a Royalty Fund. There can be no assurance that such investment allocation guidelines, policies and procedures will appropriately allocate investment opportunities relative to each opportunity's actual investment outcome.

The Royalties and Minerals Allocation Committee (the "Allocation Committee") is charged with enforcing the process by which royalty and mineral investments sourced by portfolio companies of a Flagship Fund and a Royalty Fund are allocated. The Allocation Committee is comprised of a Partner, the General Counsel, the Chief Compliance Officer, and the Director of Finance & Valuations.

Parallel Fund Structures

To accommodate its diverse range of investors, NGP ECM expects to establish a parallel investment structure alongside a fund for certain legal, tax, and regulatory considerations. Such fund and its parallel investment entities will invest pro rata in all fund investments in accordance with the governing documents of a fund.

Cross-Fund Investing

With limited exceptions as set forth in the funds' governing documents, without prior approval of the advisory board of each fund, a fund will not purchase any interest in an entity or property in which another fund owns an interest or purchase a security from another fund or sell a security to another fund.

See *Conflicts Relating to the Limited Investment Capacity of a Fund* under Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss for additional information regarding investments that cross over more than one fund.

¹ Since 1988, NGP ECM has sponsored twelve Flagship Funds defined as Natural Gas Partners Funds I through XII.

² Includes NGP Royalty Partners, L.P. and NGP Royalty Partners II, L.P., the royalty and mineral focused funds

Advisory Board Approvals

An advisory board is generally established for each fund. Each advisory board will include representatives of investors that are not affiliated with NGP ECM. While the advisory board will not have a direct role in management of a fund, it may be called upon to resolve potential conflicts of interest presented to it by the fund's general partner, such as a cross-fund investment, as described above. NGP ECM generally prepares materials and presentations for the advisory board with respect to any matters requiring their approval and the consents of members required to be received are generally documented via written or email communications.

Co-Investment Opportunities

The governing documents of the funds generally provide that the general partner has sole discretion to offer co-investment opportunities in a potential investment to any person, including to other sponsors, market participants, limited partners, finders, consultants and other service providers, but excluding to employees of NGP ECM. When making decisions to offer co-investments, NGP ECM reserves the right to consider a wide range of factors, including the specific provisions of the fund's governing documents, the remaining investment capacity of the fund, concentration considerations and the characteristics of the specific investment. There are circumstances where a co-investment opportunity that could have been offered to a fund as a cross-fund investment is instead allocated to co-investors who are not investors in the fund. Co-investment opportunities typically will be offered to some and not to other investors. There is no guarantee for any fund investor that it will be offered any co-investment opportunities. To the extent that investors might have a greater propensity to invest in funds that provide co-investment opportunities, NGP ECM would have an incentive to provide such opportunities. Such incentives would from time to time give rise to conflicts of interest, and there can be no assurance that any investment opportunities that would have otherwise been offered to the funds will be made available to the funds.

Conversely, there are circumstances where NGP ECM may be incentivized not to offer a co-investment opportunity to investors and instead offer an investment opportunity to another one of its funds as a cross-fund investment. In certain circumstances, NGP ECM may receive compensation for management and other services performed in connection with co-investments (including a management fee and carried interest), which will not reduce, or otherwise offset management fees paid by the funds. Conflicts of interest may arise in the allocation of such co-investment opportunities and potential investors should consider these potential conflicts in making their investment decisions.

Conflicts with Portfolio Investments

Officers, employees and other affiliates of NGP ECM are permitted to serve as directors (or in a similar capacity) of certain portfolio companies and, in that capacity, will be required to make decisions that they consider to be in the best interests of such portfolio companies and their equity holders. In certain circumstances, for example in situations involving bankruptcy or near-insolvency of a portfolio company, actions that are in the best interest of the portfolio company will not necessarily be in the best interests of the funds, and vice versa. Accordingly, in these situations, there will be conflicts of interests between such individual's duties as an officer, employee or affiliate of NGP ECM and such individual's duties as a director of the portfolio company.

Relationship with Elk Range

NGP Royalty Partners, L.P. formed the portfolio company, Elk Range Royalties, to invest in royalties and minerals. NGP ECM anticipates a new portfolio company, Elk Range Royalties II, will be formed by NGP Royalty Fund II, L.P. to continue investing in royalties and minerals in accordance with the fund's investment allocation policies and procedures. Elk Range Royalties and Elk Range Royalties II (collectively, "Elk Range")

will be led by the same management team. The Elk Range management team will receive salary and benefits from Elk Range but will not receive back-in profits interests at the portfolio company level. However, qualified members of Elk Range will have the opportunity to invest in the general partner of each Royalty Fund and receive carried interest. The management fee payable by the funds will not be reduced or otherwise offset by any amounts received by Elk Range or its management team. In addition, NGP ECM has engaged certain Elk Range personnel to provide consulting services to NGP ECM unrelated to the Royalty Funds. To the extent such consulting services (and not in the individual's capacity as an employee of Elk Range) relate to investments held by a Royalty Fund, any fees or expenses relating to such consulting services will be borne by NGP ECM and not the applicable fund.

NGP ECM personnel may provide certain back-office functions or assistance for Elk Range, including without limitation accounting and information technology support. In such cases, NGP ECM will not receive any fees from Elk Range for its services but will be entitled to reimbursement for any direct third-party expenses it incurs on Elk Range's behalf in connection with its services.

NGP ECM's relationships with Elk Range and its personnel could create conflicts of interest. Receiving a portion of the general partner carried interest could create an incentive for Elk Range to seek to invest in assets with a greater risk/reward profile than it would in the absence of the carried interest. NGP ECM seeks to mitigate these conflicts by carrying out its investment diligence and approval process in accordance with its fiduciary duties.

Conflicts Relating to Service Providers

Over the life of a fund, NGP ECM generally expects to exercise its discretion to recommend to a fund or to a portfolio company that it contract for services with various service providers, potentially including, among others: (i) the general partner of a fund (or an affiliate, which could include other portfolio companies of a fund) and at rates determined or substantively influenced by NGP ECM; (ii) Elk Range or another entity with which NGP ECM or its affiliates or current or former members of their personnel has a relationship or from which such person derives a financial or other benefit; or (iii) a limited partner of a fund or its affiliates. Such discretion subjects NGP ECM to conflicts of interest because NGP ECM may have an incentive to recommend service providers that benefit the financial or business interests of NGP ECM and its affiliates.

Additionally, there is a possibility that NGP ECM, because of such incentive or for other reasons (including that the retention of certain service providers could establish, recognize, strengthen or cultivate relationships that have the potential to provide longer-term benefits to NGP ECM and/or its respective affiliates), may favor the retention or continuation even if a better price and/or quality of service provider could otherwise be obtained. In addition, one portfolio company may provide goods or services to another portfolio company, and there can be no assurance that the terms of any such transaction will be the same as those that would be obtained in an arm's length transaction between unaffiliated parties. In particular, such transactions could result in the provision of services to a portfolio company at a rate higher than could be obtained by such portfolio company on the open market. Whether or not NGP ECM or any of its affiliates has a relationship with or receives financial or other benefit from recommending a particular service provider, there can be no assurance that a more qualified and/or lower cost service provider could not be obtained. The terms of any transaction involving the provision of goods or services to a fund or any portfolio company will be determined by NGP ECM in its sole discretion and may differ significantly from the terms that may be obtained in an arm's length

transaction between unaffiliated parties. These arrangements may involve fees, servicing payments or similar compensation which do not offset any fund management fees.

Conflicting Investor Interests

Each fund is likely to have a diverse range of investors that may have conflicting interests that stem from differences in investment preferences, domicile, tax status and regulatory status. Investors may have conflicting investment, tax, and other interests with respect to their investments in a fund, including conflicts relating to the structuring of investment acquisitions and dispositions. Conflicts may arise in connection with decisions made by NGP ECM regarding an investment that may be more beneficial to one investor than another, especially with respect to tax matters. In structuring, acquiring and disposing of investments, NGP ECM generally will consider the investment and tax objectives of a fund and its partners as a whole, not necessarily the investment, tax, or other objectives of any particular investor.

Side Letters

A fund or its general partner generally enter into Side Letters or other similar agreements (“Side Letters”) with certain investors that have the effect of establishing rights under, or altering or supplementing the terms (including economic or other terms) of, the governing documents with respect to such investors. NGP ECM and/or its affiliates reserve the right to enter into Side Letters with certain investors in a fund providing such investors with different or preferential rights or terms, including, but not limited to, different fee structures or arrangements (including discounted or rebated compensation terms, modified waterfall mechanics and/or receipt of a portion of NGP ECM’s compensation), information rights, specialized reporting, priority co-investment rights or targeted co-investment amounts, rights to serve on the fund’s advisory board, liquidity or transfer rights, confidentiality protections and disclosure rights, modification of default remedies, investment pacing restrictions, as well as economic, procedural and other terms.

NGP ECM is likely to have its own economic and/or other business incentives to provide certain terms to certain limited partners (e.g., based on commitment amount to a fund or the timing thereof, the ability of a limited partner to provide sourcing or other services to NGP ECM, its affiliates and personnel or the funds, or the potential to establish, recognize, strengthen or cultivate relationships that have the potential to provide longer-term benefits to NGP ECM, its affiliates and personnel, or the funds). Further, Side Letters will also, from time to time, relate to strategic relationships under which an investor agrees to make commitments to multiple funds. Except where required by governing documents, other investors will not receive copies of Side Letters or related provisions, and as a general matter, the other investors have no recourse against a fund, NGP ECM, the relevant general partner or any of their affiliates in the event that certain investors have received additional and/or different rights and/or terms as a result of such Side Letters. Side Letters subject NGP ECM to potential conflicts of interest, including in circumstances where an investor’s right to serve on the relevant fund’s advisory board results in the investor receiving additional information relative to other investors. To the extent an investor is subject to statutory or other limitations on indemnification, or otherwise negotiates rights relating thereto, other investors could be subject to increased losses, or be required to bear an increased portion of indemnification amounts. As a consequence of one or more limited partners being excused or excluded, or from regulatory, tax or other factors altering or limiting their participation in investments, the aggregate returns realized by participating or non-participating limited partners could be adversely affected in a material manner by the unfavorable performance of particular investments. Although NGP ECM believes it to be unlikely, excuse rights requested or received by one or more limited partners (or such regulatory, tax or other factors applicable to such limited partners) representing a substantial percentage of a fund have the potential to create significant variations in limited partner investment returns, or to influence or affect the investment strategy and pursuit of investment opportunities by the general partner on behalf of the relevant fund as a whole. A limited partner’s voting rights for regulatory or other reasons can be limited in circumstances specified in the governing documents; conversely, a limitation on one or more limited partners’ voting rights generally will increase the

voting rights percentage of other limited partners in the relevant fund. Further, limited partners with different domiciles or tax categorizations could receive different investment returns or amounts of tax basis and/or pay different levels of expenses, e.g., based on tax savings or ownership of alternative investment vehicle, “blocker” or other structures used to facilitate their investments in, through or below a fund.

Item 12 – Brokerage Practices

NGP ECM, by nature of its private equity focus, invests primarily in private companies. On occasion, however, NGP ECM takes portfolio companies public or merges portfolio companies into public companies for cash and/or publicly-traded securities. As part of an exit strategy, any publicly-traded securities acquired on behalf of a fund may be sold in the public markets.

When NGP ECM decides to transact in publicly-traded securities in the open market as part of a portfolio company acquisition or exit strategy, investment professionals will evaluate strategies for trading in such public securities. Strategies may include holding securities over the short or long term, selling securities over the short or long term, or distributing securities to investors, among other things. The investment professionals will seek “best execution” for any open market purchase or sale of securities in connection with the implementation of these strategies.

“Best execution” is not synonymous with lowest brokerage commissions or other transaction costs. In determining whether a particular broker-dealer is likely to provide best execution in a particular transaction, NGP ECM takes into account all factors that it deems relevant to the broker-dealer’s execution capability, which may include, but not be limited to the following:

- Listed bids and asks;
- Market making activities of the broker-dealer in the securities;
- The opportunity for price improvement;
- Transaction costs;
- Anonymity;
- Liquidity;
- Speed of execution;
- Expertise with difficult securities;
- Trading style and strategy;
- Geographic location; and
- Frequency of errors.

Soft Dollars

Section 28(e) of the Securities Exchange Act of 1934 provides a safe harbor that allows an investment adviser to pay more than the lowest available transaction cost in order to obtain brokerage and research services (commonly referred to as a “soft dollar” arrangement).

NGP ECM is permitted to receive products or services from broker-dealers and other counterparties that to the company’s knowledge are generally made available to all institutional clients doing business with these counterparties, provided that these products and services are made available to NGP ECM on an unsolicited basis and without regard to transaction costs paid by the funds or the volume of business the company directs to these counterparties.

Item 13 – Review of Accounts

Portfolio management is a dynamic activity that requires ongoing analysis of the funds' holdings. NGP ECM's investment professionals will be mindful of a fund's stated investment objectives when evaluating and approving investment recommendations and will always seek to comply with any stated investment restrictions. NGP ECM has instituted a committee structure with both regular and *ad hoc* meetings as necessary, to facilitate the sourcing, evaluating, execution and monitoring of investments.

Research and Due Diligence

The Investment Process Committee is charged with organizing business development and new deal processing activities of the funds. The Investment Process Committee generally meets every other week to discuss potential deals and will assign a group of investment professionals (a "Deal Team") to each potential deal under serious consideration. A Deal Team leader is responsible for supervising the activities of members of the Deal Team and ensuring that appropriate due diligence is conducted. Deal Teams will periodically report to, and seek guidance from, the Investment Process Committee regarding the results of their research and due diligence and will prepare such analysis and memorandums or other written materials relating to a proposed investment as they determine to be useful for the committee to evaluate the risks and merits of the opportunity.

Investment Review and Approval

The Investment Committee is charged with providing final approval for all fund investments. The Investment Committee meets as necessary to consider investment proposals that have been recommended by the Investment Process Committee. An Investment Committee memorandum is typically prepared for each new investment and will be signed by members of the Investment Committee upon its approval of each investment. Investment Committee memorandums generally summarize key factors considered in making an investment decision and will typically be supplemented with relevant research and due diligence documentation, such as management presentations, reserve reports, financial statements, market studies, financial models, term sheets and other information, as applicable.

Portfolio Monitoring

The Monitoring Committee is charged with organizing and directing the monitoring activities for all of the portfolio companies of the funds. The Monitoring Committee generally meets every other week to discuss any material portfolio company developments and will assign a group of investment professionals (a "Monitoring Team") to each portfolio company. A Monitoring Team leader is responsible for supervising the activities of members of the Monitoring Team and ensuring that appropriate ongoing monitoring of the portfolio company is conducted. Monitoring Teams will periodically report to the Monitoring Committee regarding material developments involving portfolio companies.

NGP ECM reviews the funds' portfolios in conjunction with its periodic preparation of unaudited account statements, which are delivered to investors on a quarterly basis. Additionally, NGP ECM prepares quarterly letters containing summaries of fund holdings and transactions that are provided to investors in conjunction with their quarterly account statements. Portfolios are also reviewed on an annual basis in conjunction with the preparation of fund audited financial statements by a fund auditor. In addition, fund portfolios are reviewed with investors at least once per year, typically at an annual meeting of investors. Further, each fund's portfolio will be provided for review by the advisory board in conjunction with their annual review of the valuation of the portfolio.

Item 14 – Client Referrals and Other Compensation

From time to time, NGP ECM may deem it to be in the best interests of the firm and its clients to engage a third party placement agent to introduce investors to NGP ECM, or may enter into agreements with financial advisors to form and market feeder funds for investments in NGP ECM managed funds by their clients. Depending on the specific arrangement, NGP ECM will generally pay a placement fee calculated as a percentage of the fees paid to NGP ECM in connection with the investor. These arrangements are generally disclosed in the relevant fund's Form D. Notice is given to investors that a placement fee will be paid by NGP ECM to a placement agent for referring the investor to NGP ECM. NGP ECM has retained TCG Capital Markets, L.L.C. (the limited purpose broker/dealer affiliate of The Carlyle Group) to seek commitments from certain prospective investors of NGP ETP IV, L.P. The placement agent is entitled to receive fees that are generally based upon the amount of interests in a fund subscribed for by such investors. In all cases, placement fees are borne entirely by NGP ECM and not by the funds or investors in any such funds.

A placement agent may seek to do business with and earn fees or commissions from affiliates of NGP ECM and their portfolio companies, as well as with other third-party sponsors that have similar or different investment objectives as the funds. Examples of such business include, without limitation: financing or investment banking services; lending or credit arrangement services; and placement services. Accordingly, a placement agent often will be influenced by their interests in such current or future fees and commissions, if any, including differentials in the placement fees that are offered by other third-party fund sponsors for which the placement agents act as placement agent. Potential investors should consider these potential conflicts in making their investment decisions.

Item 15 – Custody

NGP ECM is deemed to have custody, within the meaning of Advisers Act Rule 206(4)-2, over the funds' assets and securities because its affiliates act as general partners of the funds. As required by the Advisers Act, NGP ECM will conduct all business operations in such a way that the funds' cash and securities, other than privately offered non-certificated securities, will be preserved in the safekeeping of independent qualified custodians. An independent public accountant audits the funds annually, and the audited financial statements are distributed to the investors of the advised funds.

Item 16 – Investment Discretion

NGP ECM, through the general partners of the funds, has discretionary authority to determine the securities or other investments and the amounts thereof to be bought or sold by the funds. Such authority is subject to the limitations set forth in the limited partnership agreements of the funds. Such limitations include restrictions on certain securities or types of securities, geographies and leverage. Investment advice is provided directly to each fund and not individually to the limited partners of any fund.

Item 17 – Voting Client Securities

It is NGP ECM's policy to exercise proxy votes on behalf of the funds in the best interest of the funds while balancing and observing any applicable legal duties (including fiduciary) and contractual obligations. When voting fund proxies, NGP ECM will take into consideration all relevant factors, including without limitation, acting in a manner that NGP ECM believes will (i) maximize the economic benefits to the funds and (ii) promote sound corporate governance by the issuer. In cases where NGP ECM determines that there is a material conflict of interest in connection with voting a proxy on behalf of a fund, the policy requires the legal department to review the conflict of interest and determine with the assistance of the monitoring committee how to resolve the conflict of interest. Clients may obtain a copy of such voting policies and procedures upon request at the phone number or email address shown on the cover of this brochure.

NGP ECM maintains records in connection with each proxy vote in accordance with the Advisers Act.

Item 18 – Financial Information

No management fees are payable to NGP ECM by the funds more than six months in advance. As such, under relevant SEC rules NGP ECM is not required to include its balance sheet for the most recent fiscal year or disclose information about its financial position.

NGP ECM is not aware of any financial conditions that are reasonably likely to impair its ability to meet its contractual obligations to the funds. NGP ECM has never been the subject of a bankruptcy petition.