

NORTHEAST INVESTORS TRUST NOMINATING AND GOVERNANCE COMMITTEE CHARTER

The Nominating and Governance Committee (the “Committee”) shall be appointed by the Board of Trustees (the “Board”) of Northeast Investors Trust (the “Trust”) and has the responsibilities, authority and duties described in this Charter.

Purpose

The Committee has the responsibility and authority to supervise and review the affairs of the Trust as they relate to Board composition, Board evaluations, trustee nominations, and corporate governance matters.

Composition

The Committee shall be comprised exclusively of members of the Trust’s Board who are not “interested persons” as defined in the Investment Company Act of 1940, as amended, and the Regulations thereunder. The Committee’s membership is determined by the Board and shall consist of at least three (3) members. The Board shall appoint the Chair of the Committee and the Chair will preside at all meetings of the Committee and will approve the agendas for the Committee meetings.

Meetings

The Committee shall hold such meetings as frequently as circumstances dictate in order for the Committee to perform the functions described under “Duties, Responsibilities and Powers” below. The Chair or any two members of the Committee may call meetings of the Committee, and the meetings may be held telephonically or in person. The agenda for the meetings should be communicated to the members sufficiently in advance of each meeting to permit meaningful input and review. The Committee may, in its discretion, meet in executive session with or without the presence of management.

The Committee shall report regularly to the Board (i) following meetings of the Committee, (ii) with respect to such other matters that are within the Committee’s responsibilities and (iii) with respect to such recommendations as the Committee may deem appropriate. The Committee shall maintain minutes or other records of meetings and activities of the Committee.

Duties, Responsibilities and Powers

The following are the principal functions of the Committee required to carry out its responsibilities. The functions set forth are a guide with the understanding that the Committee may modify or supplement them as appropriate and may adopt additional policies and procedures in light of changing business, legislative, regulatory, legal or other conditions.

- Seek out appropriate, qualified individuals to serve as trustees of the Trust and encourage and receive recommendations for trustee candidates from all appropriate sources.
- Interview and otherwise examine trustee candidates and their credentials and conduct appropriate inquiries into the backgrounds and qualifications of such candidates.

- Recommend to the Board candidates for nomination as trustees in connection with any vacancy on or addition to the Board.
- Develop and recommend to the Board the appropriate criteria, skills and characteristics required of trustees, based on the needs of the Trust from time to time, and confer with the Board as to the application of these criteria in connection with identifying new Board candidates.
- Review and make recommendations, as the Committee deems appropriate, regarding the composition and size of the Board in order to ensure the Board has the requisite expertise and its membership consists of persons with sufficiently diverse and independent backgrounds. Considerations should also be given to matters relating to the Trust's trustee retirement policy.
- Monitor the role and effectiveness of the Board in the corporate governance process to assure the Board and its committees are functioning effectively. This assessment should include an analysis of the Board's core competencies, including the understanding of the financial industry, financial expertise, integrity, wisdom, judgment, commitment to excellence, business experience and acumen, skills, diverse perspectives and availability.
- Establish and monitor procedures by which the Board will conduct, on an annual basis, evaluations of its performance and the performance of the Board's committees.
- Prepare or review disclosure regarding the Committee's duties required to be included in the Trust's public filings, including its registration statement and any proxy statements.

Resources and Authority

The Committee shall have the resources and authority appropriate to discharge its responsibilities, including the authority to retain and terminate counsel, consultants or other outside advisers, with respect to any issue without consulting or obtaining the approval of any officer of the Trust in advance.

The Committee shall have the sole authority to retain and terminate any search firm to be used to assist in identifying Board candidates, including the sole authority to approve the search firm's fee and retention terms.

Annual Review

The Committee shall review on at least an annual basis this Charter and the scope of responsibilities of this Committee. The Committee shall recommend to the Board any revisions or modifications to this Charter that it deems necessary or appropriate to the effective exercise of its responsibilities. The Committee shall conduct an annual self-assessment review and evaluation of its performance and will report the results of the evaluation to the entire Board of Trustees.

Operating procedures

Formal actions to be taken by the Committee shall be by unanimous written consent or by a majority of the persons present (in person or by conference telephone) at a meeting at which a majority of the Committee is present.