

HANNON ARMSTRONG SUSTAINABLE INFRASTRUCTURE CAPITAL, INC.

COMPENSATION COMMITTEE CHARTER

I. Purpose

The Compensation Committee (the “Committee”) of the Board of Directors (the “Board”) of Hannon Armstrong Sustainable Infrastructure Capital, Inc. (the “Company”) shall oversee the approval, administration and evaluation of the Company’s compensation plans, including the Equity Incentive Plan, policies and programs, review the compensation of the Company’s directors and executive officers, review, discuss with the management and recommend to the Board the Compensation Discussion and Analysis (the “CD&A”) to be included, as required, in the Company’s annual proxy statement or annual report on Form 10-K and prepare any report on or relating to executive compensation required by the rules and regulations of the Securities and Exchange Commission (the “SEC”).

The Committee shall report to the Board on a regular basis and in any event not less than once a year.

II. Composition of the Compensation Committee

1. The Committee shall be comprised of at least two directors as appointed by the Board, each of whom shall be independent in accordance with rules promulgated under the Securities Exchange Act of 1934, as amended (the “Exchange Act”) and the rules and regulations of the New York Stock Exchange (the “NYSE”) as in effect from time to time as well as the Company’s independence standards and shall be free from any relationship that would interfere with the exercise of his or her independent judgment as a member of the Committee. In addition, all members of the Committee shall qualify as “outside” directors within the meaning of Section 162(m) of the Internal Revenue Code of 1986, as amended (the “Internal Revenue Code”), and as “non-employee” directors within the meaning of Rule 16b-3 of the Exchange Act.

2. The members of the Committee will be appointed, removed and replaced by, and in the sole discretion of, the Board. The members of the Committee shall be appointed annually by the Board on or prior to the date of the Company’s annual meeting of stockholders and shall serve until their successors are duly appointed by the Board or until their earlier resignation or removal. The Board may remove any member from the Committee at any time with or without cause. In connection with the annual appointment of the members of the Committee, the Board shall also select a member of the Committee to serve as its Chairman.

III. Meetings

1. The Committee shall meet in person or telephonically at such times and from time to time as it deems appropriate. For each Committee meeting, the Committee will appoint a secretary to keep minutes of such meeting. After approval of each set of minutes by the Committee, the Committee will submit such minutes to the Board for review and will cause such minutes to be filed with the minutes of the Board.

2. The Committee will report to the Board at all regular meetings of the Board or at such other times as the Committee deems necessary or appropriate.

3. The Committee may request members of the Company’s management or others to attend meetings and provide pertinent information as necessary. However, the Committee shall meet regularly without such members present, and in all cases the Chief Executive Officer (the “CEO”) and any other

such officers shall not be present at meetings at which their compensation or performance is discussed or determined.

4. The Committee will create its own rules of procedures, including rules regarding notice of meetings, quorum and voting. Such rules will be consistent with the Company's Articles of Amendment and Restatement and Bylaws and with this charter.

5. The Committee may create subcommittees to perform particular functions, either generally or in specific instances.

IV. Responsibilities and Duties

The responsibilities and duties of the Committee shall include the following:

1. Executive Compensation

- In consultation with senior management, establish the Company's general compensation philosophy and oversee the development, implementation and administration of incentive compensation plans and equity-based plans, policies and programs.
- Review and approve on an annual basis corporate goals and objectives relevant to any compensation to be paid by the Company to its CEO, evaluate the performance of the CEO in light of those goals and objectives, and determine the CEO's compensation level based on this evaluation and on the results of the most recent stockholder advisory vote on executive compensation (the "Say on Pay Vote") as required by Section 14A of the Exchange Act. In determining any long-term incentive component of the CEO's compensation, the Committee shall consider, among other factors, the Company's performance and relative stockholder return, the value of similar incentive awards to chief executive officers at comparable companies, the awards given to the CEO in past years and the results of the Say on Pay Vote.
- Review and oversee management's annual process, if any, and, in consultation with the CEO, consider, formulate and evaluate the corporate goals and objectives relevant to any compensation of, and establish any compensation programs applicable to, all non-CEO executive officers of the Company and other employees of the Company, evaluate the performance of and determine on an annual basis the compensation levels of such non-CEO executive officers, taking into consideration the results of any Say on Pay Vote.
- Review and make recommendations to the Board with respect to the compensation programs applicable to all non-executive directors of the Company as directors of the Board and as members of Board committees.
- Make recommendations to the Board with respect to the Company's incentive compensation plans and equity-based plans, oversee the activities of the individuals and committees responsible for administering these plans and discharge any responsibilities imposed on the Committee by any of these plans.
- In consultation with senior management, oversee regulatory compliance with respect to compensation matters, including overseeing the Company's policies on structuring compensation programs to preserve tax deductibility and, as and when required,

establishing performance goals and certifying that performance goals have been attained for purposes of Section 162(m) of the Internal Revenue Code.

- Review and approve and, when appropriate, recommend to the Board for approval, any employment agreements and any severance arrangements or plans for the CEO and other executive officers, which includes the ability to adopt, amend and terminate such agreements, arrangements or plans.
- To the extent the Committee deems advisable in its sole discretion, it may retain a compensation consultant, independent legal counsel, or other adviser (such consultant, counsel or adviser and/or any entity employing such consultant, counsel or adviser, collectively a “Consultant”) to advise the Committee about levels and types of compensation being given by companies similar to the Company to their chief executive officers and other senior executives and any other matters the Committee deems appropriate. In selecting a Consultant, the Committee must consider the following factors relating to independence of such Consultant and may consider such other factors as it deems appropriate:
 - whether other services are provided to the Company by such Consultant;
 - the amount of fees received from the Company by such Consultant, as a percentage of such Consultant's total revenue;
 - whether there are any policies of such Consultant designed to prevent conflicts of interest;
 - whether such Consultant has any business or personal relationships with a member of the Committee;
 - whether such Consultant owns any Company stock; and
 - whether such Consultant has any business or personal relationships with an executive officer of the Company.
 - No consideration of factors relating to the independence of a Consultant need be given if such Consultant is an in-house legal counsel or if such Consultant's role is limited to:
 - consulting on any broad-based plan that does not discriminate in scope, terms, or operation, in favor of executive officers or directors, and that is available generally to all salaried employees; or
 - providing information that either is not customized or that is customized based on parameters that are not developed by the Consultant, and about which the Consultant does not provide advice.
- To the extent the Committee deems advisable, consult with legal counsel (which may be counsel to the Company) or accountants about any matters, including tax deductibility to the Company and tax effects upon employees, that the Company deems relevant with regard to particular compensation-related decisions.

- If applicable, assist the Nominating and Corporate Governance Committee of the Board, the Board and the Chairman of the Board in overseeing the development of executive succession plans.

2. Other Committee Responsibilities

- Prepare and issue the evaluations and required under “Performance Evaluation” below.
- Produce an annual Compensation Committee Report for inclusion in the Company’s annual proxy statement or annual report on Form 10-K, as required, in accordance with applicable SEC rules and regulations.
- Review and discuss with management the CD&A and related executive compensation information, as required, for the Company’s annual proxy statement or annual report on Form 10-K and determine whether to recommend to the Board that such CD&A and related executive compensation information be included in the annual proxy statement or annual report on Form 10-K.
- Conduct an annual review of this charter and recommend to the Board any changes that the Committee deems appropriate.
- Any other duties or responsibilities expressly delegated to the Committee by the Board from time to time relating to the Company’s compensation programs.

V. Resources and Authority of the Committee

The Committee shall have the resources and authority appropriate to discharge its responsibilities and duties, including the authority to retain counsel (which may be counsel to the Company) and other experts or consultants at the expense of the Company. The Committee shall have the sole authority to select and retain a consultant or search firm, to terminate any consultant or search firm retained by it, and to approve the consultant or search firm’s fees and other retention terms. The Committee has the power in its discretion to conduct any investigation it deems necessary or appropriate to enable it to carry out its duties.

VI. Performance Evaluation

The Committee shall produce and provide to the Board an annual performance evaluation of the Committee, including the performance of individual members, which evaluation shall compare the performance of the Committee with the requirements of this charter and set forth the goals and objectives of the Committee for the upcoming year. The performance evaluation shall also recommend to the Board any improvements to this charter deemed necessary or desirable by the Committee. This charter may be amended by the recommendation of the Committee and the approval of the Board. The performance evaluation by the Committee shall be conducted in such manner as the Committee deems appropriate. The report to the Board may take the form of an oral report by the Chairman of the Committee or any other member of the Committee designated by the Committee to make this report. The Committee will make this charter publicly available.

VII. Limitation on Scope

The Committee members shall serve on the Committee subject to the understanding on their part and the part of the Company’s management, external auditors and internal auditors that:

- The Committee members are not employees or officers of the Company and are not directly involved in the Company's daily operations and they will not serve as members of the Committee on a full-time basis.
- To the extent permitted by law, the Committee shall be entitled to rely on the information and opinions of the persons and entities noted above in carrying out its responsibilities.

VIII. General

This charter is intended as a component of the flexible framework within which the Board, assisted by its committees, directs the affairs of the Company. While it should be interpreted in the context of applicable laws, regulations and listing requirements, as well as in the context of the Company's Articles of Amendment and Restatement and Bylaws, it is not intended to establish by its own force any legally binding obligations.