

**CHARTER OF THE  
NOMINATING AND CORPORATE GOVERNANCE COMMITTEE  
OF THE BOARD OF DIRECTORS OF  
PZENA INVESTMENT MANAGEMENT, INC.  
ADOPTED AS OF OCTOBER 24, 2007**

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**I. PURPOSE OF THE COMMITTEE**

The purposes of the Nominating and Corporate Governance Committee (the "Committee") of the Board of Directors (the "Board") of Pzena Investment Management, Inc. (the "Corporation") shall be to (a) identify and to recommend to the Board individuals qualified to serve as directors of the Corporation and on committees of the Board; (b) advise the Board with respect to the Board composition, procedures and committees; (c) develop and recommend to the Board a set of Corporate Governance Guidelines and Code of Business Ethics and Conduct for the Corporation; (d) oversee the evaluation of the Board and the Corporation's management; and (e) otherwise take a leadership role in developing the corporate governance policies of the Corporation.

**II. COMPOSITION OF THE COMMITTEE**

The Committee shall consist of two or more directors, as determined from time to time by the Board. Each member of the Committee shall be qualified to serve on the Committee pursuant to the requirements of the New York Stock Exchange (the "NYSE"), and any additional requirements that the Board deems appropriate.

The chairperson of the Committee shall be designated by the Board, *provided* that if the Board does not so designate a chairperson, the members of the Committee, by a majority vote, may designate a chairperson.

Any vacancy on the Committee shall be filled by majority vote of the Board. No member of the Committee shall be removed except by majority vote of the Board.

**III. MEETINGS AND PROCEDURES OF THE COMMITTEE**

The Committee shall meet as often as it determines necessary to carry out its duties and responsibilities, but no less than twice annually. Any member of the Committee may call meetings of the Committee. Any meeting of the Committee may be held telephonically, but the Committee shall meet in person at least once a year. A majority of the members of the Committee present in person or by means of a conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other shall constitute a quorum. Approval of actions by the Committee requires a majority vote of the Committee members. All non-management directors who are not members of the Committee may attend meetings of the Committee but may not vote. The Committee shall maintain minutes of its meetings and records relating to those meetings.

The Committee, in its discretion, may ask members of management or others to attend its meetings (or portions thereof) and to provide pertinent information as necessary. The Committee, in its discretion, may also exclude from its meetings any persons it deems appropriate in order to carry out its responsibilities.

#### **IV. DUTIES AND RESPONSIBILITIES OF THE COMMITTEE**

##### **A. *Board Candidates and Nominees***

The Committee shall have the following duties and responsibilities with respect to Board candidates and nominees:

(a) To assist in identifying, recruiting and, if appropriate, interviewing candidates to fill positions on the Board, including persons suggested by stockholders or others. In identifying candidates for membership on the Board, the Committee shall consult with the Chief Executive Officer and shall take into account all factors it considers appropriate as set forth in the Board's Corporate Governance Guidelines.

(b) To conduct all necessary and appropriate inquiries into the background and qualifications of individuals being considered as director candidates. Among the qualifications considered in the selection of candidates, the Committee shall look at the following attributes and criteria of candidates: experience, skills, expertise, diversity, personal and professional integrity, character, business judgment, time availability in light of other commitments, dedication, conflicts of interest and such other relevant factors that the Committee considers appropriate in the context of the needs of the Board.

(c) To recommend to the Board the director nominees for election by the stockholders or appointment by the Board, as the case may be, pursuant to the Bylaws of the Corporation, which recommendations shall be consistent with the criteria for selecting directors established by the Board from time to time.

(d) To review the suitability for continued service as a director of each incumbent member of the Board when his or her term expires and when he or she has a change in status and to recommend whether or not the incumbent Board member should be re-nominated. A member of the Committee who is a candidate for re-nomination shall not be present during the deliberations concerning, or to vote upon, such member's candidacy.

(e) The Committee may, if it deems appropriate, establish procedures to be followed by stockholders in submitting recommendations for Board candidates.

##### **B. *Board Composition and Procedures***

The Committee shall have the following duties and responsibilities with respect to the composition and procedures of the Board as a whole:

(a) To review annually with the Board the composition of the Board as a whole and to recommend, if necessary, measures to be taken so that the Board reflects the

appropriate balance of knowledge, experience, skills, expertise and diversity required for the Board as a whole and contains at least the minimum number of independent directors required by the NYSE.

(b) To review periodically the size of the Board and to recommend to the Board any appropriate changes.

(c) To make recommendations on the frequency and structure of Board meetings.

(d) To make recommendations concerning any other aspect of the procedures of the Board that the Committee considers warranted, including but not limited to procedures with respect to the waiver by the Board of any Corporation rule, guideline, procedure or corporate governance principle.

### ***C. Board Committees***

The Committee shall have the following duties and responsibilities with respect to the committee structure of the Board:

(a) After consultation with the Chief Executive Officer and after taking into account the experiences and expertise of individual directors, to make recommendations to the Board regarding the size and composition of each standing committee of the Board, including the identification of individuals qualified to serve as members of a committee, including the Committee, and to recommend individual directors to fill any vacancy that might occur on a committee, including the Committee.

(b) To monitor the functioning of the committees of the Board and to make recommendations for any changes, including the creation and elimination of committees.

(c) To review annually committee assignments in accordance with the policies and procedures set forth in the Corporate Governance Guidelines and to report any recommendations to the Board.

(d) To recommend that the Board establish such special committees as may be desirable or necessary from time to time in order to address ethical, legal or other matters that may arise. The Committee's power to make such a recommendation under this Charter shall be without prejudice to the right of any other committee of the Board, or any individual director, to make such a recommendation at any time.

### ***D. Corporate Governance***

The Committee shall have the following duties and responsibilities with respect to corporate governance:

(a) To develop and recommend to the Board a set of Corporate Governance Guidelines and Code of Business Ethics and Conduct for the Corporation, which shall be consistent with any applicable laws, regulations and listing standards. At a minimum, the

Corporate Governance Guidelines developed and recommended by the Committee shall address the following:

- (i) Director qualification standards.
- (ii) Director retirement standards, including term limits and age caps.
- (iii) Director responsibilities.
- (iv) Director access to management and, as necessary and appropriate, independent advisors.
- (v) Director compensation, including principles for determining the form and amount of director compensation, and for reviewing those principles, as appropriate.
- (vi) Policies with respect to the Corporation's indemnification and insurance coverage for directors and officers.
- (vii) Director orientation and continuing education.
- (viii) Management succession, including policies and principles for the selection and performance review of the chief executive officer, as well as policies regarding succession in the event of an emergency or the retirement of the chief executive officer.
- (ix) Annual performance evaluation of the Board.

(b) To review periodically, and at least annually, the Corporate Governance Guidelines and Code of Business Ethics and Conduct adopted by the Board to assure that they are appropriate for the Corporation and comply with the requirements of the NYSE, and to recommend any desirable changes to the Board.

(c) To be responsible for the responsibilities assigned to the Committee in the Corporate Governance Guidelines.

(d) To consider questions of independence of non-management directors and possible conflicts of interest of directors and executive officers.

(e) To consider any other corporate governance issues that arise from time to time, and to develop appropriate recommendations for the Board.

***E. Evaluation of the Board and Management***

The Committee shall have the following duties and responsibilities with respect to evaluation of the Board and management:

(a) The Committee shall be responsible for overseeing the evaluation of the Board as a whole and management and shall evaluate and report to the Board on the performance and effectiveness of the Board. The Committee shall establish procedures to allow it to exercise this oversight function.

## **V. DELEGATION OF AUTHORITY**

The Committee may form subcommittees for any purpose that the Committee deems appropriate and may delegate to such subcommittees such power and authority as the Committee deems appropriate; *provided, however*, that no subcommittee shall consist of fewer than two members; and *provided further* that the Committee shall not delegate to a subcommittee any power or authority required by any law, regulation or listing standard to be exercised by the Committee as a whole.

## **VI. EVALUATION OF THE COMMITTEE**

The Committee shall, on an annual basis, evaluate its performance. In conducting this review, the Committee shall evaluate whether this Charter appropriately addresses the matters that are or should be within its scope and shall recommend such changes as it deems necessary or appropriate. The Committee shall address all matters that the Committee considers relevant to its performance, including at least the following: the adequacy, appropriateness and quality of the information and recommendations presented by the Committee to the Board, the manner in which they were discussed or debated, and whether the number and length of meetings of the Committee were adequate for the Committee to complete its work in a thorough and thoughtful manner.

The Committee shall deliver to the Board a report, which may be oral, setting forth the results of its evaluation, including any recommended amendments to this Charter and any recommended changes to the Corporation's or the Board's policies or procedures.

## **VII. INVESTIGATIONS AND STUDIES; OUTSIDE ADVISERS**

The Committee may conduct or authorize investigations into or studies of matters within the Committee's scope of responsibilities, and may retain, at the Corporation's expense, such independent counsel or other consultants or advisers as it deems necessary. The Committee shall have the sole authority to retain or terminate any search firm to be used to identify director candidates, including sole authority to approve the search firm's fees and other retention terms, such fees to be borne by the Corporation.

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