

PENNANT INVESTMENT CORPORATION
(THE “CORPORATION”)
NOMINATING AND CORPORATE GOVERNANCE COMMITTEE
CHARTER

I. Purpose

The purpose of the Nominating and Corporate Governance Committee is to select qualified nominees to be elected to the board of directors (the “Board of Directors”) of Corporation by the Corporation’s stockholders at the annual stockholder meeting, to select qualified nominees to fill any vacancies on the Board of Directors (consistent with criteria approved by the Board of Directors), develop and recommend to the Board of Directors a set of corporate governance principles applicable to the Corporation, oversee the evaluation of the Board of Directors and management, and to undertake such other duties and responsibilities as may from time to time be delegated by the Board of Directors to the Nominating and Corporate Governance Committee.

II. Membership Requirements

The Nominating and Corporate Governance Committee shall be comprised of the number of Independent Directors as the Board of Directors shall determine from time to time, such number not to be less than two. The Nominating and Corporate Governance Committee shall be comprised solely of Independent Directors. For purposes of this Nominating and Corporate Governance Committee Charter, “Independent Directors” are Corporation Directors who (i) are not “interested persons” (as defined in the Investment Company Act of 1940 (the “1940 Act”)) of the Corporation; and (ii) are “independent directors” (as defined in Rule 4200(a)(15) of the National Association of Securities Dealers’ listing standards (the “NASD Listing Standards”); and (iii) any other applicable requirements of the Securities and Exchange Commission (the “SEC”) and any other applicable laws, rules and regulations with respect to independence, as determined by the Board of Directors. The members of the Nominating and Corporate Governance Committee shall be designated by the Board of Directors and may be removed at any time, with or without cause, by the Board of Directors. The Chairman of the Nominating and Corporate Governance Committee will be appointed by the members of the Nominating and Corporate Governance Committee.

III. Authority

In discharging its responsibilities, the Nominating and Corporate Governance Committee shall have authority to retain outside counsel or other consultants in the Nominating and Corporate Governance Committee’s sole discretion. The Nominating and Corporate Governance Committee shall also have sole authority to approve the fees and other retention terms of such consultants and to terminate such consultants. The Nominating and Corporate Governance Committee shall have the authority to create subcommittees with such powers as the Nominating and Corporate Governance Committee shall from time to time confer.

IV. Responsibilities

The following are the general responsibilities of the Nominating and Corporate Governance Committee and are set forth only for its guidance. The Nominating and Corporate Governance Committee may assume such other responsibilities as it deems necessary or appropriate in carrying out its purpose.

The Nominating and Corporate Governance Committee shall:

- A. Select a replacement Director when a vacancy on the Board of Directors (or a committee thereof) occurs or is anticipated.
- B. Establish the criteria for evaluating (subject to Board of Directors approval of those qualifications) and evaluate the qualifications of individuals for election as members of the Board of Directors (or a committee thereof), which criteria shall include, at a minimum, the following:
 - 1. to the extent required, compliance with the independence and other applicable requirements of the NASD Listing Standards, the 1940 Act and the SEC, all other applicable laws, rules, regulations and listing standards and the criteria, policies and principles set forth in this Charter; and
 - 2. the ability to contribute to the effective management of the Corporation, taking into account the needs of the Corporation and such factors as the individual's experience, perspective, skills, and knowledge of the industry in which the Corporation operates.
- C. Consider stockholder recommendations for possible nominees for election as members of the Board of Directors.
- D. Annually evaluate the qualifications of current members of the Board of Directors who are available for reelection in light of the characteristics of independence, age, skills, experience, availability of service to the Corporation and tenure of its members, and of the Board of Director's anticipated needs.
- E. Upon a significant change in a member of the Board of Director's personal circumstances (including a change in principal occupation) or in the event a significant ongoing time commitment arises that may be inconsistent with a member of the Board of Director's service to the Board, review, as appropriate the continued Board membership of such member.
- F. Report to the Board of Directors its conclusions with respect to the matters that the Nominating and Corporate Governance Committee has considered.
- G. Review and reassess the adequacy of this Charter of the Nominating and Corporate Governance Committee annually and submit any proposed

modifications to the Board of Directors for submission to the stockholders at an annual meeting for approval.

- H. Conduct an annual evaluation of the Board and each committee to determine whether each of them is functioning effectively, and submit a report to the full Board at the end of the review. The Nominating and Corporate Governance Committee will discuss the review with the full Board following the end of each fiscal year.
- I. The Nominating and Corporate Governance Committee shall monitor compliance with the Corporation's Code of Conduct under the Sarbanes-Oxley Act of 2002 and the NASD Listing Standards, including reviewing with the Chief Compliance Officer the adequacy and effectiveness of the Corporation's procedures to ensure proper compliance. The Committee shall also recommend amendments to the Corporation's Code of Conduct to the Board of Directors as the Committee may deem appropriate.

V. Meetings

Subject to the By-Laws and resolutions of the Board of Directors, the Nominating and Corporate Governance Committee shall meet not less than once per year at such time as the Chairman of the Nominating and Corporate Governance Committee shall designate. The Chairman of the Nominating and Corporate Governance Committee shall develop and set the Nominating and Corporate Governance Committee's agenda, in consultation with the other members of the Nominating and Corporate Governance Committee. Each member of the Board of Directors and members of management are free to suggest the inclusion of items on the agenda. The agenda and information concerning the business to be conducted at each Nominating and Corporate Governance Committee meeting shall, to the extent practical, be distributed to the members of the Nominating and Corporate Governance Committee sufficiently in advance of each meeting to permit meaningful review. The Nominating and Corporate Governance Committee shall fix its own rules of procedure, and a majority of the number of members then serving on the Nominating and Corporate Governance Committee shall constitute a quorum. The Nominating and Corporate Governance Committee shall keep minutes of its meetings, and all action taken by it shall be reported to the Board of Directors.