

Ballantyne of Omaha, Inc.

Nominating and Corporate Governance Committee Charter

Purpose of the Committee

The Nominating and Corporate Governance Committee (the “Committee”) shall report to and assist the Board of Directors (the “Board”) of Ballantyne of Omaha, Inc. (the “Company”). The purpose of the Committee shall be to (1) identify qualified individuals for membership on the Board and recommend to the Board the director nominees for the next annual meeting of shareowners, (2) to develop and recommend to the Board a set of corporate governance principles applicable to the Company, (3) conduct an annual review of Board and CEO and Senior Management performance, and (4) take a leadership role in shaping the corporate governance of the Company.

Membership on the Committee

1. The Committee shall be comprised of three members of the Board.
2. All members of the Committee shall be independent directors, as independence is defined in accordance with applicable rules, regulations and standards, and as determined in the business judgment of the Board.
3. Members of the Committee shall be appointed and may be removed by the Board.

Duties and Responsibilities of the Committee

1. **Board Review:** On an annual basis the Committee shall oversee the annual review of the effectiveness of the Board of Directors. The evaluation shall assess the Board's contribution to the Company and identify areas the Board believes should be improved. The Committee shall also administer an annual reevaluation of each director to determine each director's ongoing ability and suitability to serve on the Board.
2. **Criteria for Nomination to the Board:** The Board shall set general criteria for nomination to the Board. The general criteria for nomination to the Board shall be annexed to this Charter. The Committee will consider candidates for nomination submitted by stockholders in accordance with Article I, Section 1 of the Company's Bylaws. Any candidate submitted by stockholders shall be considered on the same basis as any other candidate submitted for consideration as a nominee.
3. **Nomination of Directors:** The Committee shall annually consider the size, composition and needs of the Board and consider and recommend candidates for membership on the Board. The Committee shall solicit and receive

recommendations and review the qualification of potential candidates. The Committee shall recommend to the Board each year the director nominees for election at the next annual meeting of shareowners. Upon the recommendation of the Committee, the Board may elect a new or replacement director to the Board during the course of the year to serve until the next annual meeting of shareowners.

4. **Director Orientation:** The Committee shall administer an orientation program for all newly-elected or appointed Board Members. Said orientation program shall include a presentation designed to familiarize new directors with the Company and its strategic plans, its significant financial, accounting and risk management issues, its Code of Ethics compliance programs and other controls, its Senior Management and its internal and independent auditors. The presentation shall also address procedures of the Board, director responsibilities, the Board's Corporate Governance Principles and Board Committee Charter.
5. **Reports to the Board:** The Committee shall report regularly to the Board on its meetings and review with the Board significant issues and concerns that arise at meetings of the Committee.
6. **Charter Review:** On an annual basis, the Committee shall review the adequacy of this Charter, and recommend to the Board any modifications or changes for approval by the Board.
7. **Committee Assignments:** The Committee shall be responsible for recommending the assignment of Board Members to the Company's various Committees. A Board Member shall not be a chairman of more than one committee. In addition, the Committee shall annually review whether each such Committee is appropriately constituted
8. **Committee Review:** The Committee shall perform an annual evaluation of its effectiveness.
9. **Corporate Governance Principles Review:** The Committee shall periodically review the Company's Corporate governance Principles and make recommended changes to the Board when appropriate. When reviewing the Company's Corporate Governance Principles, the Committee shall consider many other things, corporate governance trends and practices.

Meetings of the Committee

The Committee will meet at least twice each year. The Committee will keep written minutes on its meetings.

Inside directors are expected to submit a letter of resignation at the time of retirement from active employment with the Company, or when transferring from a top management position in the Company.

Outside directors are expected to submit a proposed letter of resignation under the following circumstances:

- (a) Whenever a director, after election to the Board of Directors, becomes employed by or a director of a competitor of the Company.
- (b) Whenever the health or physical condition of a director would prevent him or her from satisfactorily fulfilling the responsibilities of the position.

In the event that the proposed letter of resignation is not accepted, the director's tenure will continue.

BALLANTYNE OF OMAHA, INC.

POLICY STATEMENT REGARDING THE SELECTION AND TENURE FOR BOARD OF DIRECTORS

Nominees are chosen for their ability to represent all of the shareholders, and for their character, judgment, fairness and overall ability. As a group, they are expected to set the appropriate policy for the Company, and to bring to the Board of Directors broad experience in business matters and an insight and awareness of the appropriate and ever-changing role that corporations should have in society. Because the advice of those facing similar problems is of particular value, executive officers of other corporations are desirable nominees.

The following personal criteria will be considered in selecting candidates for the Board of Directors:

- 1) Integrity, honesty and accountability with a willingness to express independent thought;
- 2) Substantial business experience, with a practical application to the Company's needs;
- 3) Demonstrated ability to think strategically and make decisions with a forward-looking focus, with the ability to assimilate relative information on a broad range of topics;
- 4) Being a team player with a demonstrated willingness to ask tough questions in a constructive manner that adds to the decision making process of the Board.
- 5) Independence and absence of conflicts of interest;
- 6) Willingness to make a strong commitment of time and attention to the Board's processes and affairs, including meetings and preparation; and
- 7) Ability to commit to Company Stock Ownership.

The Nominating Committee will also consider proposals for nominees for director from stockholders which are made in writing to the Secretary of the Company and comply with By-Law requirements. The recommendation must contain sufficient background information concerning the nominee to enable a proper judgment to be made as to his or her qualifications. Recommendations must also include a written statement from the candidate expressing a willingness to serve.

No more than one of the Board members shall be from then current management.

As a general rule, the Company will not engage in significant financial transactions with any director.