

DIAMOND HILL INVESTMENT GROUP, INC.

NOMINATING AND GOVERNANCE COMMITTEE CHARTER

ADOPTED: FEBRUARY 2009

AMENDED: JULY 2011

PURPOSE

The purposes of the Nominating Committee (the “Committee”) of the Board of Directors (the “Board”) of Diamond Hill Investment Group, Inc. (the “Company”) are to:

- identify and screen individuals to become members of the Board;
- receive and evaluate recommendations for potential Board members from shareholders;
- recommend to the Board the slate of director nominees to be elected by shareholders;
- recommend directors to be elected by the Board to fill any vacancies;
- recommend to the Board the membership composition and structure of Board committees;
- develop and recommend to the Board the corporate governance principles applicable to the Company;
- oversee the annual evaluation of the Board; and
- handle other matters as the Board deems appropriate.

MEMBERS

The Committee shall consist of at least three members, all of whom must qualify as independent directors under the listing standards of the The NASDAQ Stock Market (“NASDAQ”) and other applicable rules and regulations. The members of the Committee shall be appointed by, and shall serve at the pleasure of, the Board. The Committee shall be chaired by one of its members selected by the Board.

RESPONSIBILITIES

The Committee’s principal responsibilities are to:

- Identify and evaluate prospective candidates for the Board, including those individuals recommended by shareholders. Individuals recommended by shareholders shall be evaluated using the same criteria as individuals nominated by the Board, the Committee, management or other sources. In selecting nominees, the Committee may consider the factors it deems appropriate, including, without limitation: independence, judgment, skills, diversity, character, community involvement, financial expertise, business experience, experience with similarly-sized companies and with publicly-traded companies, experience and skill relative to other Board members, and ability to meet the long term interests of the Company and its shareholders.
- Identify and evaluate director candidates on an ongoing basis, and recommend to the Board a slate of potential nominees to be proposed at the Company’s annual meeting of shareholders, including as appropriate, the nomination of incumbent directors for re-election.

- Identify, evaluate and recommend individuals to fill vacancies on the Board through appointment or election by the shareholders.
- Consider and recommend to the Board the appropriate size of the Board, and retirement and other tenure policies for directors.
- Review the structure and composition of the Board's other committees, including the qualifications and independence of their members, and make recommendations to the Board with respect to such matters.
- Review directorships in other public companies held by or offered to directors of the Company.
- Monitor the Company's receipt and consideration of director nominations by shareholders and other persons.
- From time to time evaluate the performance of the Committee and the adequacy of the Committee's charter. This charter and any amendments hereto shall be publicly disclosed at the times and in the manner required by the applicable rules of the Securities and Exchange Commission and NASDAQ.
- Adopt, as the Committee deems necessary, policies and procedures regarding the nominations process.
- Periodically review management development for key management positions and the CEO succession plan.
- Periodically review and approve stock ownership guidelines for, and review the stock ownership of, principal corporate officers, senior management, and directors of the Company.
- Periodically review the adequacy of the Company's Corporate Governance Guidelines and recommend any proposed changes to the Board for approval and consider any other corporate governance issues that arise from time to time and develop appropriate recommendations for the Board.

OUTSIDE ADVISORS

The Committee shall have the authority to retain such outside counsel, experts, and other advisors, including search firms to identify director candidates, as it determines appropriate to assist it in the full performance of its functions. The Company will provide appropriate funding, as determined by the Committee, for payments to any such persons retained by the Committee.

MEETINGS

The Committee shall meet at least annually, and at such other times as its chairperson deems necessary or appropriate. A majority of the Committee shall constitute a quorum. Meetings of the Committee may be held through the use of communications equipment if all persons participating can hear each other. The Committee may act by a majority of its members at a meeting, or without a meeting if all members of the Committee consent to the action in writing. The Committee may invite to meetings or exclude from meetings any members of management, other directors, consultants or other persons as it deems necessary or desirable. Minutes shall be kept by the Committee and filed with the minutes of the Board. The Committee shall make reports to the Board on its activities at such times as the Committee deems appropriate and at any time upon the request of the Board.