

**LCA-VISION INC.
NOMINATING & GOVERNANCE COMMITTEE CHARTER**

I. Purpose

The Nominating Committee (“Committee”) will assist the LCA-Vision Inc. (“Company”) Board of Directors (“Board”) in identifying qualified individuals to become Board members, in determining the composition of the Board and its committees, in developing and implementing the Company’s corporate governance guidelines, and in ensuring the independence of the Board as it exercises its corporate governance and oversight roles for the benefit of shareholders and the Company’s other constituencies, including, but not limited to, providing counsel to the full Board with respect to (A) Board size, organization, membership, and function, (B) Board committee structure, size, and membership, and (C) succession planning for the executive management of the company.

II. Organization

A. *Membership*

The Committee is composed of three or more directors, as determined by the Board. All members of the Committee shall be independent directors and shall satisfy the independence standards and any other requirements established by the Securities and Exchange Commission and the Marketplace Rules of the Nasdaq Stock Market. The Board elects the members of the Committee at the annual organization meeting of the Board for terms of one year, or until their successors are duly elected and qualified. Members shall serve at the pleasure of the Board. Unless a Chairman is elected by the full Board, the members may designate a Chairman by majority vote of the full membership of the Committee.

B. *Meetings*

The Committee shall meet at least twice a year and at such other times as required, upon the call of the Chairman of the Committee or the Chairman of the Board. A majority of the members of the Committee shall constitute a quorum.

III. Responsibilities and Authorities

1. Lead the search for and recommend qualified nominees for shareholder election to the Board for the next annual meeting and for election by the Board to fill vacancies which occur between annual meetings. The Committee shall also review potential candidates suggested to it and report to the Board regarding the results of such review. The Committee shall identify qualified individuals consistent with criteria approved by the Board, and it shall select individuals as director nominees who exhibit personal and professional integrity, who have demonstrated ability and judgment and who shall be most effective in serving the interests of the Company’s shareholders.
2. Identify Board members qualified to fill any vacancies on a committee of the Board and recommend that the Board appoint the identified member(s) to the respective committee. The Committee shall consider any required qualifications as set forth in the committee’s charter, the needs of the committee in light of its purpose and responsibilities and the existing composition of the committee, the benefits of periodic rotation of committee members and any other factors the Committee deems appropriate.

3. Review the appropriateness of continued service on the Board, or Board committees, of members whose circumstances, including business or professional affiliations or responsibilities, have changed or who contemplate accepting a directorship on another public company board or an appointment to an audit or compensation committee of another public company board.
4. Review all nominations for re-election of Board members and report to the Board regarding the result of such review.
5. Develop and oversee the Company's orientation process for newly elected members of the Board and assist the Board in its implementation. The Committee shall also regularly assess the adequacy of and need for additional continuing director education programs.
6. Recommend to the Board programs and procedures relating to the compensation, evaluation, retention, retirement and resignation of directors.
7. Review and make recommendations to the Board to address any shareholder resolutions.
8. Review all standing or *ad hoc* committees and recommend changes in the number, function or membership on the committees as appropriate.
9. Receive comments from all directors and report annually to the Board with an assessment of the Board's performance, to be discussed with the full Board following the end of each fiscal year.
10. Review the performance of senior management for purposes of management succession, including insuring that the Company has an adequate system and procedures for the education, development and orderly succession of senior managers throughout the Company. The Committee shall report to the Board on succession planning.

The Committee shall have the authority to delegate any of its responsibilities to subcommittees as the Committee may deem appropriate.

The Committee shall have the sole authority to engage any search firm to assist in identifying director candidates, including the sole authority to approve related fees and retention terms. The Committee shall also have authority to obtain advice and assistance from legal, accounting, or other advisors.

The Committee shall report its actions and recommendations to the Board after each Committee meeting and shall conduct and present to the Board an annual performance evaluation of the Committee. The Committee shall review at least annually the adequacy of this charter and recommend any proposed changes to the Board for approval.

As effective March 8, 2004.



**Nominating & Governance
Committee Charter**