

## **TOWN SPORTS INTERNATIONAL HOLDINGS, INC.**

### **NOMINATING AND CORPORATE GOVERNANCE COMMITTEE CHARTER**

#### **Purpose**

The purpose of the Nominating and Corporate Governance Committee (the "Committee") is to (1) assist the Company's Board of Directors (the "Board") by identifying individuals qualified to become Board members, and to recommend for selection by the Board the director nominees to stand for election at the next annual meeting of the Company's stockholders, (2) recommend to the Board director nominees for each committee of the Board, (3) oversee the evaluation of the Board and management, (4) develop and recommend to the Board a set of corporate governance guidelines, and oversee the Code of Ethics and Business Conduct applicable to the Company, and (5) recommend to the Board such other matters of corporate governance as the Committee deems appropriate.

#### **Committee Membership**

The Committee shall consist of no fewer than two members. Each member of the Committee shall be a member of the Board and shall satisfy the independence requirements of The NASDAQ Stock Market ("Nasdaq") or, with the approval of the Board, satisfy one or more of the exceptions permitted by Nasdaq. The Board shall determine from time to time the number of directors that shall constitute the Committee.

The members of the Committee shall be appointed by the Board. Committee members may be removed and replaced by the Board. Unless a Chairperson is appointed by the Board, the members of the Committee may designate a Chairperson by the vote of a majority of the Committee.

#### **Committee Administration**

The Committee shall meet at such times and with such frequency as the Committee determines appropriate, but not less than once per year. Special meetings may be convened as the Committee deems necessary or appropriate. The Committee may ask members of Company management or others to attend meetings of the Committee (or to meet with any member of, or advisors to, the Committee) and provide pertinent information as necessary or desirable. The Committee may adopt such procedures as it deems appropriate and necessary to carry out its duties and responsibilities.

A majority of the members of the Committee shall constitute a quorum to transact business. Members of the Committee may participate in a meeting of the Committee by means of telephone conference call or similar communications equipment by means of which all persons participating in the meeting can hear each other. Except in extraordinary circumstances as determined by the Chairperson of the Committee, notice shall be delivered to all Committee members at least 48 hours in advance of the scheduled meeting. Notice may be by overnight

mail, facsimile, electronic mail or any other reasonable means selected by the Chairperson of the Committee. Minutes of each meeting will be kept and distributed to the entire Board.

The affirmative vote of a majority of the members of the Committee present at the time of such vote will be required to approve any action of the Committee. Subject to the requirements of any applicable law, regulation or Nasdaq rule, any action required or permitted to be taken at a meeting of the Committee may be taken without a meeting if a consent in writing, setting forth the action to be so taken, is signed by all of the members of the Committee. Such written consent shall have the same force as a unanimous vote of the Committee.

## **Committee Responsibilities**

### Selection of Directors and Committee Members

1. The Committee shall recommend to the Board for its approval criteria for the selection of new directors and the evaluation and renomination of existing directors. The Committee shall comply with such criteria in exercising its responsibilities under this Charter.
2. The Committee shall identify individuals qualified to become Board members and shall consider candidates to fill positions on the Board, including candidates recommended by the Company's stockholders. The Committee shall conduct the appropriate and necessary inquiries (as determined by the Committee) with respect to the backgrounds and qualifications of candidates.
3. The Committee shall recommend to the Board for its selection candidates to fill positions on the Board. The Board shall select from among such recommended candidates the director nominees to stand for election for the next annual meeting of the Company's stockholders.
4. The Committee shall recommend to the Board for its selection candidates to fill positions on each committee of the Board.
5. The Committee shall review the independence and other qualifications of Board members, consider questions of possible conflicts of interest between Board members or management and the Company and its subsidiaries, and review other activities of Board members or management that could interfere with such individuals' duties to the Company.
6. Notwithstanding anything to the contrary in this Charter, if the Company is required by contract or otherwise to provide third parties with the ability to nominate one or more directors, the selection and nomination of such directors shall not be subject to review or approval by the Committee.

### Evaluation of the Board and Management

7. The Committee shall oversee the evaluation of the performance of the Board and management. The Committee shall receive comments from directors and report annually

to the Board with an evaluation of the Board's performance. The Committee shall discuss the evaluation with the full Board following the end of each fiscal year.

#### Corporate Governance Guidelines and Other Corporate Governance Codes

8. The Committee shall develop and recommend to the Board for its approval a set of corporate governance guidelines applicable to the Company. The Committee periodically shall review and reassess the adequacy of the corporate governance guidelines and such other matters of corporate governance as the Committee, in its sole discretion, deems necessary or desirable. The Committee shall recommend any proposed changes to corporate governance guidelines to the Board for its approval.
9. The Committee periodically shall review and reassess the adequacy of the Code of Ethics and Business Conduct applicable to the Company, and recommend any proposed changes to the Code of Ethics and Business Conduct to the Board for its approval.
10. The Committee shall consider all requests for waivers of the Code of Ethics and Business Conduct. The Committee shall have the sole authority to grant a waiver of the Code of Ethics and Business Conduct. The Committee shall promptly report to the Board its determination whether to grant or deny the waiver.

#### Other Authority and Responsibilities

11. The Committee shall have the sole authority, to the extent the Committee deems necessary or appropriate to carry out its responsibilities, (a) to retain and terminate any search firm used to identify director candidates, and (b) to obtain advice and assistance from, and to retain and terminate, internal or external legal, accounting or other consultants, in each case at the expense of the Company. The Committee shall have the sole authority to approve the fees and other retention terms of any such search firm or legal, accounting or other consultants.
12. The Committee shall make recommendations concerning the functions and duties of the committees of the Board.
13. The Committee may form and delegate authority to subcommittees or, to the extent permitted under applicable laws, regulations and Nasdaq rules, to any other independent director or committee comprised entirely of independent directors, in each case, to the extent the Committee deems necessary or appropriate. The Committee may consult with or obtain input from management, but, except as expressly provided herein, shall not delegate any of its responsibilities to management.
14. The Committee may designate any member of the Committee to execute documents on its behalf as the Committee deems necessary or appropriate to carry out its responsibilities hereunder.
15. The Committee shall report to the Board as requested by the Board or as the Committee deems appropriate, but not less frequently than annually.

16. The Committee shall review and reassess the adequacy of this Charter annually and recommend any proposed change to the Board for its approval.
17. The Committee shall review its own performance annually.

In addition to the activities described above, the Committee will perform such other functions as are necessary or appropriate in its opinion or in the opinion of the Board under applicable law, the Company's Certificate of Incorporation and by-laws, and the resolutions and other directives of the Board.

This Charter is in all respects subject and subordinate to the Company's Certificate of Incorporation and by-laws and the applicable provisions of the General Corporation Law of the State of Delaware. This Charter may be amended from time to time by the Board.

Date: May 30, 2006