

**P&F INDUSTRIES, INC.**  
**NOMINATING COMMITTEE CHARTER**

**Purpose**

The Nominating Committee (the "Committee") of the Board of Directors of P&F Industries, Inc. (the "Company") will assist the Board of Directors in identifying qualified individuals to serve as members of the Board of Directors, recommending committee assignments and responsibilities to the Board of Directors and evaluating Board of Directors' and management effectiveness.

**Organization**

The members of the Nominating Committee shall be appointed by the Board of Directors from time to time upon a determination by the Board of Directors that the nominees meet all required qualifications for Nominating Committee membership. Members of the Nominating Committee may be removed by the Board of Directors. The Nominating Committee shall meet on the call of its chairman. The Nominating Committee has the authority to retain and terminate advisors to assist in discharging its duties, including the authority to approve such advisors' fees and retention terms. Half of the members of the Nominating Committee shall be a quorum to transact business. The Board of Directors will designate the Chairman of the Nominating Committee.

**Committee Authority and Responsibilities**

In furtherance of the Committee's purpose, and in addition to any other responsibilities which may be properly assigned by the Board of Directors, the Committee will have the following authorities and responsibilities:

- The Committee will meet as often as it determines is appropriate to carry out its responsibilities. The Chairman of the Committee, in consultation with the other Committee members, will determine the frequency and length of the meetings and will set agendas consistent with this charter.
- The Committee will recommend to the Board of Directors as director nominees individuals of established personal and professional integrity. Director nominees will have demonstrated exceptional ability and judgment, and will be chosen with the primary goal of ensuring that the entire Board of Directors collectively serves the interests of the shareholders. Due consideration will be given to assessing the qualifications of potential nominees and any potential conflicts with the Company's interests. The Committee will also assess the contributions of the Company's incumbent directors in connection with their potential re-nomination. In identifying and recommending director nominees, the Committee members may take into account such factors as they determine appropriate, including recommendations made by the Board of Directors.

- The Committee will advise the Board of Directors on the appropriate structure and operations of all committees of the Board of Directors, including committee member qualifications. The Committee may review and recommend to the Board of Directors committee assignments, including additional committee members to fill vacancies as needed.
- The Committee may obtain advice and assistance from such internal and external advisors as it deems appropriate in connection with the discharge of its duties, and will have the authority to retain any search firm to be used to identify director candidates on behalf of the Company. The Committee will have sole authority to determine and approve related fees and retention terms for any such advisors, who will be compensated by the Company.
- The Committee will make recommendations to the Board of Directors regarding orientation for new directors, as well as continuing education for all directors.
- The Committee will monitor developments, trends and best practices in corporate governance, and take such actions in accordance therewith as it deems appropriate.
- To the extent not otherwise inconsistent with its obligations and responsibilities, the Committee may form subcommittees and delegate authority hereunder as it deems appropriate.
- The Committee will report to the Board of Directors as it deems appropriate, and as the Board of Directors may request.
- The Committee will lead a self-evaluation process for the Board of Directors and each of its committees (including the Committee) as it deems appropriate, including to satisfy any applicable requirements of the NASD and any other legal or regulatory requirements.
- The Committee will perform such other activities consistent with this Charter, the Company's By-Laws, governing law, the rules and regulations of the NASD and such other requirements applicable to the Company's as the Committee or the Board of Directors deem necessary or appropriate.

### **Committee Charter**

The Committee will periodically review this Charter and will recommend any changes to the Board of Directors as the Committee deems appropriate, including to satisfy any applicable requirements of the NASD and any other legal or regulatory requirements.

A copy of this charter will be made available on the Company's website at [www.pfina.com](http://www.pfina.com)

Effective: March 9, 2004