

## **NOMINATING AND GOVERNANCE COMMITTEE CHARTER**

### **PURPOSE:**

The purpose of the Nominating and Governance Committee (the “Committee”) of the Board of Trust Managers (“Board”) of PMC Commercial Trust (the “Company”) is to identify individuals qualified to become members of the Board, to recommend individuals to the Board for nomination as members of the Board and its committees and to develop and recommend to the Board corporate governance principles applicable to the Company. The Committee shall report to the Board on a regular basis and not less than once a year.

### **MEMBERSHIP:**

The Committee shall be comprised of three (3) or more members of the Board. The Committee will be organized in compliance with the rules and standards established by the principal stock exchange on which the Company’s common shares are traded (the “Exchange”) from time to time, including rules regarding the independence of members. Members of the Committee are appointed by the Board for one-year terms and shall serve at the pleasure of the Board. The Board shall designate a chairman of the Committee.

### **DUTIES AND RESPONSIBILITIES:**

The Committee shall have the following duties and responsibilities:

1. To review periodically and make recommendations to the Board as to changes in the size, composition, organization and operational structure of the Board and its committees.
2. To review and make recommendations on the range of qualifications that should be represented on the Board and the eligibility criteria for individual Board membership.
3. To function as the “nominating committee” and, in that capacity, to identify and recruit individuals believed to be qualified to become Board members, consistent with criteria approved by the Board, and to recommend to the Board the nominees to stand for election to the Board at the annual meeting of shareholders (or, if applicable, at a special meeting of shareholders). In the case of a vacancy in the office of a trust manager (including a vacancy created by an increase in the size of the Board), the Committee shall recommend to the Board an individual to fill such vacancy either through appointment by the Board or through election by shareholders. In nominating a candidate for election to the Board, the Committee will be entitled to take into consideration such factors as it deems appropriate. These factors may include judgment, skill, diversity, experience with businesses and other organizations comparable to the Company, the interplay of the candidate’s experience with the experience of other Board members, and the extent to which the candidate would be a desirable addition to the Board and any committees. The Committee may solicit and consider suggestions of the directors or management regarding possible nominees, may consider nominees suggested by stockholders and generally shall guide the process of recruiting new trust managers.

4. To identify Board members qualified to serve on any committee of the Board and to recommend to the Board nominees for appointment as members of the respective committees. In recommending a candidate for appointment to a committee, the Committee will be entitled to take into consideration the factors set forth above for Board membership, applicable federal securities laws and Exchange regulations and any other factors it deems appropriate.
5. To establish procedures for the Committee to oversee the evaluation of the effectiveness of the Board, its committees and individual trust managers.
6. To develop and recommend to the Board a set of corporate governance principles applicable to the Company; to review those principles at least once a year; and to monitor the Board's governance process and make recommendations to the Chairman and the Board on Board governance and related matters.
7. To monitor, evaluate and report to the Board, on a periodic basis, with respect to the Company's compliance with legal and regulatory requirements imposed by the Exchange, the Securities and Exchange Commission or otherwise, with respect to corporate governance matters applicable to the Company.
8. To provide to the Board an annual performance evaluation of the Committee, as described under "Performance Evaluation Report" below, and to evaluate the annual evaluation reports of the other committees to assure compliance with the applicable review standards and to provide the Board a review of those committee reports.
9. To act on such other matters as the Board may specifically delegate to the Committee.

**PERFORMANCE EVALUATION:**

The Committee shall provide to the Board an annual performance evaluation of the Committee, including an assessment of the performance of the Committee based on the duties and responsibilities set forth in this charter and such other matters as the Committee may determine. The evaluation to the Board may take the form of an oral report by the Committee chairman or any other member of the Committee designated by the Committee to make the report.

**RESOURCES AND AUTHORITY OF THE COMMITTEE:**

The Committee shall have the resources and authority appropriate to discharge its duties and responsibilities, including the authority to retain counsel and other experts or consultants. The Committee shall have the sole authority to select and retain a consultant or search firm to be used to identify director candidates, to terminate any such consultant or search firm retained by the Committee, and to approve the fees and other retention terms of any consultant or search firm retained by the Committee.

**MINUTES:**

Minutes will be kept of each meeting of the Committee and will be available to each member of the Board. Any action of the Committee (other than actions for which the Committee has sole authority as set forth herein) shall be subject to revision, modification, rescission, or alteration by the Board, provided that no rights of third parties shall be affected by any such revision, modification, rescission, or alteration.

**AMENDMENTS:**

This Nominating and Governance Committee Charter may be amended in whole or in part with the approval of a majority of the Board.