

NORTH PITTSBURGH SYSTEMS, INC.

CHARTER OF THE CORPORATE GOVERNANCE AND NOMINATING COMMITTEE

OF THE BOARD OF DIRECTORS

(Approved September 23, 2004)

I. STATEMENT OF POLICY

This Charter specifies the scope of the responsibilities of the Corporate Governance and Nominating Committee (the "Committee") of the Board of Directors (the "Board") of North Pittsburgh Systems, Inc. (the "Company") and the manner in which those responsibilities shall be performed, including its structure, processes and membership requirements.

Responsibilities. The primary responsibilities of the Committee are to: (i) identify and evaluate potential candidates for consideration for election as directors of the Company; (ii) recommend to the Board or, at the Board's request, select director nominees for each election of directors; (iii) develop and recommend to the Board criteria for selecting qualified director candidates; (iv) consider committee member qualifications, appointment and removal; and (v) provide oversight in the evaluation of the Board and each committee.

Consideration of shareholder recommendations. The Committee shall consider for recommendation or nomination to serve as directors of the Company potential candidates recommended by shareholders of the Company and shall consider and evaluate those potential candidates in the same manner as the Committee considers and evaluates other potential candidates to recommend for nomination to serve as directors of the Company.

Requirements of shareholder submissions of recommendations. Shareholder recommendations for consideration for nomination to serve as directors of the Company must be in writing, must include appropriate biographical information about the person(s) being recommended, and must be accompanied by a signed statement of each person being recommended to the effect that the biographical information about that person submitted with the recommendation is correct and that he or she consents to being considered and perhaps nominated for election as a director of the Company and to serve as a director of the Company if elected. Shareholder recommendations for consideration for nomination to serve as directors of the Company should be sent to the Nominating Committee, c/o Secretary, North Pittsburgh Systems, Inc., 4008 Gibsonia Road, Gibsonia, PA 15044-9311. Any such recommendation that a shareholder wishes to be considered by the Nominating Committee in connection with the next Annual Meeting of Shareholders of the Company must be received by the Secretary of the Company by the same deadline that applies to shareholder proposals for inclusion in the Company's proxy statement and proxy card for that meeting.

II. ORGANIZATION AND MEMBERSHIP REQUIREMENTS

The committee shall be comprised of three or more directors, each of whom shall satisfy the independence requirements established by the rules of The Nasdaq Stock Market ("Nasdaq") and the Securities and Exchange Commission (the "SEC").

The members of the Committee shall be appointed by the Board, and each shall serve until his or her successor is duly elected and qualified or his or her earlier resignation or removal. Any member of the Committee may be removed by the Board at any time. Unless a chairman is appointed or designated by the Board, the members of the Committee may designate a chairman by majority vote of the full Committee membership. The Committee may, from time to time, delegate duties or responsibilities to subcommittees (which may consist of one or more members of the Committee) or to one member of the Committee.

A majority of the members shall represent a quorum of the Committee, and if a quorum is present, any action approved by at least a majority of the members present shall constitute a valid action of the Committee.

The Committee shall have the authority to obtain advice or assistance from such consultants, legal counsel, and accounting and other advisors as the Committee deems appropriate in connection with performing its duties hereunder, and to determine the terms, costs and fees for such engagements. Without limiting the generality of the foregoing, the Committee shall have the sole authority to engage and terminate the use of any search firm to assist the Committee in identifying director candidates and to determine and approve the terms, costs and fees for such engagements. The costs and fees of any consultant, counsel or advisor engaged by the Committee to assist the Committee in performing its duties hereunder shall be borne by the Company.

III. MEETINGS

The Committee shall meet as often as it deems necessary to fulfill its responsibilities hereunder, but not less frequently than twice each year, and may meet with management or individual directors at any time it deems appropriate to discuss any matter before the Committee.

The Committee shall maintain written minutes of its meetings, which minutes shall be filed with the minutes of the meetings of the Board.

IV. COMMITTEE AUTHORITY AND RESPONSIBILITY

To fulfill its responsibilities and duties hereunder, the Committee shall:

A. Nominating Functions

1. Evaluate and recommend to the Board, or select, director nominees for each election of directors.
2. Determine criteria for selecting new directors, including desired board skills and attributes, and identify and actively seek individuals qualified to become directors.
3. Consider any recommendations for nomination of director candidates properly made by shareholders of the Company in the same manner as the Committee considers and evaluates other potential candidates for recommendation for nomination to serve as directors of the Company.
4. Review from time to time the Board's committee structure and review and make recommendations to the Board concerning qualifications, appointment and removal of committee members.

B. Corporate Governance Functions

1. Consider the benefit of developing and, if deemed advisable, develop, recommend to the Board for approval, and review on an ongoing basis the adequacy of, director qualification standards and principles of director responsibilities, committee responsibilities, director access to management and independent advisors, director orientation and continuing education, management succession and annual performance evaluation of the Board and committees of the Board.
2. In consultation with the Company's Audit Committee, develop and recommend to the Board procedures for monitoring and enforcing compliance with the Company's Code of Ethics.
3. As requested by the Board or the Company's Audit Committee, and in consultation with the Audit Committee as appropriate, (a) review and investigate conduct alleged by the Board, the Audit Committee or any report received by the Audit Committee or the Chairman thereof, to be in violation of the Company's Code of Ethics, and recommend to the Board as necessary or appropriate remedial, disciplinary or other measures with respect to such conduct.
4. Monitor the independence of the directors, and recommend such action as the Committee shall deem necessary and appropriate, to meet the objective that a majority of the Board continues to be independent (including but not limited to independent as "independent director" is defined in the rules of Nasdaq); review any potential conflicts of interest between a director and the Company; and at the request of the Company's Audit

Committee, assist the Audit Committee to, or in the Audit Committee's stead, review any related party transaction (including but not limited to any transaction required to be disclosed pursuant to SEC Regulation S-K) between the Company and any executive officer or director of the Company and recommend to the Board or the Audit Committee, as appropriate, approval or disapproval of the transaction.

5. Review, at least annually, the Company's compliance with Nasdaq corporate governance listing requirements, and report to the Board regarding the same.

6. Assist the Board in developing criteria for the evaluation of Board and Board committee performance.

7. If requested by the Board, assist the Board in its evaluation of the performance of the Board and each committee of the Board.

8. Review and recommend to the Board changes to the Company's articles of incorporation and bylaws as the Committee shall deem advisable.

9. Review and approve orientation materials for new directors.

10. Develop and recommend to the Board a policy regarding continuing education for Board members.

11. Report to the Board regarding the foregoing at least annually.

12. Periodically review and reassess the adequacy of this Charter and recommend any proposed changes to the Board for consideration by the Board.