

ELECTROGLAS, INC.

CHARTER OF THE NOMINATING AND CORPORATE GOVERNANCE COMMITTEE OF THE BOARD OF DIRECTORS

Adopted: October 20, 2004

1) PURPOSE

The purpose of the Nominating and Corporate Governance Committee (the “*Committee*”) of the Board of Directors (the “*Board*”) of Electroglas, Inc., a Delaware corporation (the “*Company*”) shall be to (i) oversee all aspects of the Company’s corporate governance functions on behalf of the Board; (ii) make recommendations to the Board regarding corporate governance issues; (iii) identify, review and evaluate candidates to serve as directors of the Company and review and evaluate incumbent directors; (iv) serve as a focal point for communication between such candidates, non-committee directors and the Company’s management; (v) recommend candidates to the Board; and (vi) make other recommendations to the Board regarding affairs relating to the directors of the Company.

2) COMPOSITION AND MEETINGS

a) **Composition.** The Committee shall consist of at least two (2) members of the Board. No Committee member shall be an employee of the Company and each member shall be free from any relationship that would interfere with the exercise of his or her independent judgment, as determined by the Board, in accordance with the applicable independence requirements of The Nasdaq Stock Market (“Nasdaq”). The members of the Committee and the Committee chairperson shall be appointed by the Board.

b) **Meetings.** The Committee will hold at least one (1) regular meeting per year and additional meetings as the Committee deems appropriate.

3) MINUTES AND REPORTS

Minutes of each meeting will be kept and distributed to each member of the Committee, members of the Board who are not members of the Committee and the Secretary of the Company. The Chairman of the Committee will report to the Board from time to time or whenever so requested by the Board.

4) RESPONSIBILITIES

The operation of the Committee will be subject to the provisions of the Bylaws of the Company and the Delaware General Corporation Law, each as in effect from time to time. The Committee will have the full power and authority to carry out the following primary

responsibilities or to delegate such power and authority to one (1) or more subcommittees of the Committee:

a. Director Nominations. The Committee has the primary responsibility for establishing criteria for Board membership and identifying, evaluating, reviewing and recommending qualified candidates to serve on the board, including consideration of any potential conflicts of interest as well as applicable independence and experience requirements.

The Committee shall also have the primary responsibility for evaluating, reviewing and considering the recommendation for nomination of incumbent directors for reelection to the Board as well as monitoring the size of the Board. The selection of nominees for director to be presented to the stockholder for election or reelection, and the selection of new directors to fill vacancies and newly created directorships on the Board shall be made by the full Board based on the recommendations of the Committee.

The Committee shall also have the power and authority to consider recommendations for Board nominees and proposals submitted by the Company's stockholders and to establish any policies, requirements, criteria and procedures in furtherance of the foregoing, including policies and procedures to facilitate stockholder communications with the Board of Directors, to recommend to the Board appropriate action on any such proposal or recommendation and to make any disclosure required by applicable law in the course of exercising its authority.

b. Board Assessment. The Committee shall periodically review, discuss and assess the performance of the Board, including Board committees, seeking input from senior management, the full Board and others. The assessment shall include evaluation of the Board's contribution as a whole and effectiveness in serving the best interests of the Company and its stockholders, specific areas in which the Board and/or management believe contributions could be improved, and overall Board composition and makeup, including the reelection of current Board members. The Committee shall also consider and assess the independence of directors, including whether a majority of the Board continues to be independent from management in both fact and appearance, as well as within the meaning prescribed by Nasdaq.

c. Board Committee Nominations. The Committee, after due consideration of the interests, wishes, independence and experience of the individual directors and the independence and experience requirements of Nasdaq, the rules and regulations of the Securities and Exchange Commission and applicable law, shall recommend to the entire Board annually the chairmanship and membership of each committee.

d. Continuing Education. The Committee shall have the authority to institute a plan or program for the continuing education of directors, if deemed appropriate.

e. Corporate Governance Principals. The committee shall develop a set of corporate governance principles to be applicable to the company, shall periodically

review and assess these principles and their application, and shall recommend any changes deemed appropriate to the Board for its consideration.

f. Procedures for Information Disseminations. The Committee shall oversee and review the processes and procedures used by the Company to provide information to the Board and its committees. The Committee should consider, among other factors, the reporting channels through which the Board and its committees receive information and the level of access to outside advisors where necessary or appropriate, as well as the procedures for providing accurate, relevant and appropriately detailed information.

g. Management Succession. The committee shall periodically review with the Chief Executive Officer the plans for succession to the offices of the Company's executive officers.

h. SEC Report. At such time as the Company becomes subject to the reporting requirements of Section 13(a) or 15(d) of the Exchange Act, the committee shall prepare any report or other disclosure required by the applicable SEC rules and regulations to be included in the Company's annual proxy statement.

i. Charter. The Committee shall review, discuss and assess periodically its own performance as well as the Committee's role and responsibilities as outlined in this Charter. The Committee shall submit any suggested changes to the Board for its consideration.