

CONTINENTAL MATERIALS CORPORATION

Charter of the Nominating Committee

(Revised May 2014)

1. Purpose of the Committee

The purpose of the Nominating Committee (the “Committee”) of the Board of Directors (the “Board”) of Continental Materials Corporation (the “Company”) is to:

- (a) Identify individuals qualified to serve as members of the Board;
- (b) Recommend to the Board director nominees to be presented at the annual meeting of shareholders and nominees to fill vacancies on the Board, whether caused by retirement, resignation, death, increase in the number of authorized directors or otherwise; and
- (c) Develop and recommend to the Board such corporate governance policies as the Committee believes appropriate and desirable.

2. Committee Organization

- (a) Composition. The Committee shall consist of at least two (2) members of the Board who satisfy the membership requirements set forth in Section 2(c) below.
- (b) Appointment and Removal. The Committee members shall be appointed by the Board to serve for a one (1) year term or until their successors shall be duly elected and qualified. Each Committee member may be removed by the Board in its sole discretion.
- (c) Membership Requirements. Each Committee member must qualify as an “independent” director under the rules applicable to companies listed on the NYSEMKT.

Notwithstanding the membership requirements set forth in this Section 2(c), if the Committee consists of at least three (3) members, one director who does not qualify as “independent” under the rules applicable to companies listed on the NYSEMKT may still serve as a member of the Committee if the Board determines that, under exceptional and limited circumstances, such individual’s membership on the Committee is required by the best interests of the Company and its stockholders and such individual meets certain alternate criteria established by the NYSEMKT rules.¹

- (d) Committee Chairman. The Board may designate a chairman of the Committee (the “Chairman”). If the Board does not designate a Chairman, the Committee members shall elect a Chairman by a vote of a majority of the Committee.

¹ Such individual must not be a current officer or employee of the Company or an immediate family member of such officer or employee. Such individual may be appointed to the Committee for a term of not more than two (2) years. If the foregoing exception is applied to any Committee member, the Company will be required to disclose in its next proxy statement the nature of the relationship and the reasons for the Board’s determination.

3. **Committee Meetings**

- (a) The Committee shall meet at least one (1) time per year, or more frequently, as circumstances dictate.
- (b) Each Committee member shall have the authority to call a meeting of the Committee. The notice of meeting need not state the purpose for which the meeting has been called. In order to transact business, at least two (2) Committee members must be present. In the alternative, the Committee may take action without a meeting by unanimous written consent in accordance with applicable law.
- (c) The Chairman shall be responsible for establishing the agenda for each meeting and shall coordinate the distribution of briefing and/or background material to the Committee members. Additional items may be added to the agenda at the request of any Committee member. Minutes of all meetings shall be prepared by or under the supervision of the Chairman and approved by the Committee. Meetings may be held via conference call or in person.

4. **Duties of the Committee**

The Committee shall perform the following duties:

- (a) Establish criteria for Board and Board committee membership.
- (b) Oversee searches for and identify individuals qualified to serve as members of the Board.
- (c) Recommend to the Board (i) nominees for election to the Board or for appointment to fill any vacancy and (ii) directors for appointment to Board committees. In making its recommendations, the Committee shall:
 - (i) review each new candidate's experience and qualifications for membership on the Board or the Board committees (including the "independent" status of the candidate) based on the criteria established by the Committee;
 - (ii) in evaluating current directors for re-nomination to the Board or re-appointment to any Board committees, (A) assess the performance, participation and contribution of such director as a member of the Board or such committee and (B) assess the experience, qualifications and "independent" status of such director based on the criteria established by the Committee; and
 - (iii) periodically review the composition of the Board and its committees in light of the current challenges and needs of the Board, the Board committees and the Company.
- (d) Consider and make recommendations to the Board regarding shareholder nominations for directors that are submitted in accordance with the Company's By-laws and applicable law.
- (e) Develop and recommend to the Board a set of corporate governance guidelines applicable to the Company. The Committee shall, from time to time, as it deems appropriate, review

and assess the adequacy of such corporate governance guidelines and recommend any changes to the Board for approval.

- (f) Oversee the Board's self-assessment process whereby the Board considers its effectiveness, the effectiveness of its committees and the contribution of its individual members. The frequency of such self-assessment shall be determined considering changes in the Board composition since the last self-assessment as well as input from the entire Board. In connection therewith, the Committee shall solicit comments from all directors, solicit comments from management (if necessary), prepare a report for the Board and make recommendations for improvement of the Board's operations.
- (g) Perform any other activities consistent with this Charter, the Company's Certificate of Incorporation or By-laws and any other governing law, as the Committee or the Board deems necessary or appropriate.

5. **Consultants**

The Committee shall have the authority to retain such consultants, outside counsel or other advisors as the Committee may deem appropriate, in its sole discretion.

6. **Reports to the Board**

The Committee shall report all material findings and all recommendations that may arise at a meeting of the Committee, including but not limited to those enumerated in Section 4 above, to the entire Board. Such report shall be made at the Board meeting immediately following the relevant Committee meeting.

7. **Performance Evaluation and Charter Review**

Due to the controlled nature of the Company, the Committee shall, as often as it deems necessary:

- (a) Evaluate its performance and report its conclusions to the Board; and
- (b) Review this Charter and recommend any proposed changes thereto to the Board for approval.