

RAND CAPITAL CORPORATION

**GOVERNANCE AND NOMINATING COMMITTEE OF THE BOARD OF
DIRECTORS**

CHARTER
(v 4-23-15)

Purpose of the Committee

The Committee will seek to provide leadership to the Board in the development and maintenance of an effective corporate governance structure and process. The Committee will also have Nominating Committee responsibilities for the Board of Director selection and tenure.

Composition: Delegation

The Board of Directors as appropriate, appoint and rotate the membership of this Committee, who shall serve for such term or terms as the Board shall determine. In appointing the members of the Committee, the Board of Directors shall comply with all laws, regulations and rules applicable with respect to the number and qualifications of such members; as such laws, regulations and rules may from time to time be modified or supplemented. Each member shall, in the opinion of the Board of Directors, be independent (as defined by NASDAQ Listing Rule 5605) and free of any relationship that would interfere with his/her exercise of independent judgment as a member of the Committee.

To the extent permitted by applicable laws, regulations and rules, the Committee may delegate any of its responsibilities to a subcommittee comprised of one or more members of the Committee.

Meetings

The Committee shall typically meet at least two (2) times each year. Meetings of the Committee may be called by the Chairman of the Board of Directors, the Chairman of the Committee or a majority of the members of the Committee.

A majority of the members of the Committee may determine its action and fix the time and place of its meetings unless the Board shall otherwise provide.

The Committee may invite other Directors and guests to attend meetings, as appropriate.

Responsibilities

1. Annually review and assess the adequacy of the Charter of the Committee and submit any proposed changes to the Board of Directors for consideration.

2. Develop and recommend to the Board guidelines for corporate governance, including, among other things, provisions with respect to the qualifications and responsibilities of directors, the structure and responsibilities of Board committees and access of directors to management and independent advisors.

3. At least annually, the Committee should coordinate a discussion with the Board members during one of its executive sessions regarding the Board's performance. The Committee will also request each other Committee of the Board (Audit and Compensation) review their individual Committee's performance, with the Chair of the respective Committee reporting such discussions directly to the Chair of the Governance and Nominating Committee.

4. The Committee is responsible for considering and making recommendations to the Board concerning the appropriate size, function, and membership of the Board including:

- establishing criteria for Board membership, with criteria to cover, among other things, experience, skill set, diversity, and the ability to act on behalf of shareholders;
- evaluate periodically the desirability of, and recommend to the Board, changes in the size and composition of the Board;
- recruiting, and considering Board candidates who may be proposed by any director or executive officer of the Corporation, or by any shareholder if the proposal is made in accordance with the Corporation's certificate of incorporation, by-laws, and applicable laws and regulations;
- conducting the appropriate inquiries into the backgrounds and qualifications of possible candidates for Board positions; and
- recommending the director nominees for approval by the Board and the shareholders.

5. Review, at least annually, membership of the Board committees and recommend to the Board which directors should be appointed to such committees, and their respective chairs.

6. Assure that Independent directors meet at regularly scheduled executive sessions, without management at least twice per year.

7. The Committee should discuss its own performance on an annual basis.

8. Consider, discuss and make recommendations to the Board of Directors regarding the President/CEO position of the Corporation. In addition to reviewing with the President, the organizations structure and Senior Management staffing.

9. Review and/or retain with outside counsel, professionals and outside advisors deemed necessary by the Committee, at the Corporation's expense, regarding current industry trends and NASDAQ/ SEC governance issues affecting the Corporation.

10. When appropriate review periodically the management succession plans relating to positions held by elected corporate officers, discuss with President and make recommendations to the Board with respect to the selection of persons to hold those positions.

11. The Chairman of the Committee should interact with the other Committee Chairs to discuss governance issues affecting the Corporation.

12. Annually review the Corporation's Business Ethics Policy Code of Conduct application to all Directors, Officers and employees demonstrating to investors Rand and management's ethical dealings in Rand matters as required by NASDAQ Rule 5610.

13. Nothing in this Charter is intended to preclude or impair the protection provided in Section 717 of the New York Business Corporation Law for good faith reliance by members of the Committee on reports or other information provided by others.