NOMINATING AND MANAGEMENT DEVELOPMENT COMMITTEE CHARTER OF THE BOARD OF DIRECTORS OF HARRIS & HARRIS GROUP, INC.

AS AMENDED BY THE BOARDS OF DIRECTORS NOVEMBER 2011

I. PURPOSE OF THE NOMINATING AND MANAGEMENT DEVELOPMENT COMMITTEE

The purpose of the Nominating and Management Development Committee (the "Nominating Committee") of the Board of Directors (the "Board") of Harris & Harris Group, Inc. (the "Company") is (i) to identify individuals qualified to serve on the Board as directors and on committees of the Board, (ii) to select, or to recommend that the Board select, the Board nominees for the next annual meeting of shareholders, and (iii) to support the development of the Company's management.

II. COMPOSITION OF THE NOMINATING COMMITTEE

The Nominating Committee shall be comprised of at least three of the Directors as determined by the Board that are "independent" as defined in Section 2(a)(19) of the Investment Company Act of 1940 (the "1940 Act"). Pursuant to the Board's Corporate Governance Guidelines, the Nominating Committee Chairman position shall rotate at least once every three years.

III. MEETINGS AND PROCEDURES OF THE NOMINATING COMMITTEE

The Nominating Committee shall fix its own rules of procedure, which shall be consistent with the charter documents of the Company and this Nominating Committee Charter. The Nominating Committee shall meet as circumstances require. The chairperson of the Nominating Committee or a majority of the members of the Nominating Committee may call a meeting of the Nominating Committee.

A majority of the members of the Nominating Committee present in person or by telephone or other communications equipment by means of which all persons participating in the meeting can communicate with each other shall constitute a quorum and shall act by majority vote. The Nominating Committee may also take action by written consent of the number of members that would be required to adopt a resolution if all members of the Nominating Committee were present.

The Nominating Committee may form subcommittees for any purpose that the Nominating Committee deems appropriate and may delegate to such subcommittees such power and authority as the Nominating Committee deems appropriate; *provided, however,* that no subcommittee shall consist of fewer than two members; and *provided*

further that the Nominating Committee shall not delegate to a subcommittee any power or authority required by any law, regulation or listing standard to be exercised by the Nominating Committee.

The Nominating Committee may request that any directors, officers or employees of the Company, or other persons whose advice and counsel are sought by the Nominating Committee, attend any meeting of the Nominating Committee to provide such pertinent information as the Nominating Committee requests.

The Nominating Committee shall keep written minutes of its meetings, which minutes shall be maintained with the books and records of the Company and delivered to the Board, including a description of all actions taken by the Nominating Committee at the meeting.

IV. AUTHORITY

The Nominating Committee shall have the authority to carry out its duties and responsibilities as set forth in this Nominating Committee Charter. The Nominating Committee shall have sole authority to retain and terminate any search firm to be used to identify director candidates, including sole authority to approve the search firm's fees and other retention terms.

V. DUTIES OF THE NOMINATING COMMITTEE

The Nominating Committee shall have the following goals and responsibilities with respect to Board candidates and nominees:

(1) establish procedures for evaluating the suitability of potential director nominees;

(2) select, or recommend that the Board select, the nominees for election by the shareholders or appointment by the Board, as the case may be, pursuant to the Bylaws of the Company. Persons selected by the Nominating Committee shall possess such knowledge, experience, skills, expertise and diversity so as to enhance the Board's ability to manage and direct the affairs and business of the Company, including, when applicable, to enhance the ability of committees of the Board to fulfill their duties and/or to satisfy any independence requirements imposed by law, regulation or the Nasdaq Stock Market listing requirements;

(3) review the suitability for continued service as a director when his or her term expires and at such other times as the Nominating Committee deems necessary or appropriate, and to recommend whether or not the director should be re-nominated; and

(4) review the membership of board committees and recommend changes, if any, to the Board.

The Nominating Committee shall have the following goals and responsibilities with respect to supporting the development of the Company's management:

(1) Review matters related to the development of leadership talent within management; and

(2) Review matters related to succession planning (including periodic review of Chief Executive Officer and other Officer succession planning).

VI. OUTSIDE ADVISERS

The Nominating Committee may retain, at the Company's expense, such independent counsel or other advisers as it deems necessary.