

The Allied Defense Group, Inc. (ADG) Nominating Committee Charter

1. Purpose

The primary function of the Nominating Committee (the "Committee") is to assist the Board of Directors in identifying qualified individuals to serve as Board members and other key executives.

2. Composition

The Committee will consist of a minimum of two outside directors, each of whom meets the independence and experience requirements of the American Stock Exchange, the Securities Exchange Act of 1934, and the rules and regulations of the Securities and Exchange Commission, who are not employed by the Corporation, and are free of any relationship that would interfere with their exercise of independent judgment as a Committee Member. The Committee Chairman and Committee assignments will be recommended to the Board of Directors by the Chairman of the Board. These individuals will then be appointed by the Board of Directors and serve at the pleasure of the Board.

3. Meetings

The Committee will meet as often as it determines is appropriate to carry out its responsibilities, but must meet once formally per year. The Chair of the Committee, in consultation with the other Committee members, will determine the frequency and length of the meetings and will set the agenda consistent with this Charter.

4. Duties and Responsibilities

The Committee will:

- (a) Periodically review the size of the Board and make recommendations to the Chairman concerning any increase or decrease in the size thereof.
- (b) On an annual basis, recommend to the Chairman of the Board nominees for election to the Board at the upcoming annual meeting of shareholders.
- (c) Recommend to the Chairman candidates for the Board and other key executives with the highest degree of personal and professional integrity. These candidates will have demonstrated exceptional ability and judgment, and will be chosen with the primary goal of ensuring that the entire Board collectively serves the interests of the shareholders. Due consideration will be given to assessing the qualifications of potential nominees and any potential conflicts with the

Corporation's interests. The Committee will also assess the contributions of the Corporation's incumbent directors in connection with their potential for re-nomination. In identifying and recommending director nominees or other key executives, the Committee members may take into account such factors as they determine appropriate, including recommendations made by any shareholders or other individuals or entities.

(d) Make recommendations to the Board regarding orientation for new directors, as well as continuing education for all directors.

(e) Advise the Chairman of the Board on the appropriate structure and operations of all committees of the Board, including committee member qualifications.

(f) Obtain advice and assistance from such internal or external advisors as it deems appropriate in connection with the discharge of its duties, and will have the authority to retain, within fiscal appropriateness and with the concurrence of the Chairman, any search firm to be used to identify director candidates or other key executives on behalf of the Corporation.

(g) To the extent not otherwise inconsistent with its obligations and responsibilities, the Committee may form subcommittees and delegate authority hereunder as it deems appropriate.

(h) Report to the Board as it deems appropriate, and as the Board may request.

(i) Perform such other activities consistent with this charter, the Corporation's By-Laws, governing law, the rules and regulations of the American Stock Exchange and such other requirements applicable to the Corporation as the Committee or the Board deem necessary or appropriate.

5. Committee Charter

The Committee will periodically review this Charter and will recommend any changes to the Chairman and the Board as the Committee deems appropriate, including satisfying any applicable requirements of the American Stock Exchange and any other legal or regulatory requirements. A copy of this Charter will be made available on the Corporation's website at www.allieddefensegroup.com.