

American Shared Hospital Services
A California corporation
(the “Company”)

Nominating and Corporate Governance Committee Charter
Adopted April 27, 2005

Purpose

The Nominating and Corporate Governance Committee (the “Committee”) is created by the Board of Directors of the Company to:

- identify individuals qualified to become Board members, and recommend to the Board director nominees for election at the next annual or special meeting of shareholders at which directors are to be elected or to fill any vacancies or newly created directorships that may occur between such meetings;
- make recommendations to the Board as to determinations of director independence;
- oversee the evaluation of the Board;
- oversee and set compensation for the Company’s directors; and
- oversee compliance with the Code of Business Conduct and Ethics for the Company.

Membership

The Committee shall consist of at least three members, comprised solely of independent directors meeting the independence requirements of the American Stock Exchange. The independent members of the Board shall recommend nominees for appointment to the Committee annually and as vacancies or newly created positions occur. Committee members shall be appointed by the Board and may be removed by the Board at any time. The Board shall designate the Chairman of the Committee.

Responsibilities

In addition to any other responsibilities which may be assigned from time to time by the Board, the Committee is responsible for the following matters.

Board/Committee Nominees

- The Committee shall oversee searches for and identify qualified individuals for membership on the Company’s Board.

- The Committee shall recommend to the Board criteria for Board and Board committee membership, including as to director independence, and shall recommend individuals for membership on the Company's Board and its committees. In making its recommendations for Board and committee membership, the Committee shall:
 - review candidates' qualifications for membership on the Board or a committee of the Board (including making a determination as to the independence of each candidate) based on the criteria approved by the Board (and taking into account independence, financial literacy and financial expertise standards that may be required under law or American Stock Exchange rules for Audit Committee membership purposes);
 - in evaluating current directors for re-nomination to the Board or re-appointment to any Board committees, assess the performance of such directors;
 - periodically review the composition of the Board and its committees in light of the current challenges and needs of the Board, the Company and each committee, and determine whether it may be appropriate to add or remove individuals after considering issues of judgment, diversity, age, skills, background and experience;
 - consider rotation of committee members and committee Chairmen;
 - consider any other factors deemed appropriate by the Committee or the Board.

Evaluating the Board and Its Committees

- Periodically evaluate the Board and its committees to determine whether they are functioning effectively, and make recommendations as necessary.
- The Committee shall periodically review the size and responsibilities of the Board and its committees and recommend any proposed changes to the Board.

Director Compensation

The Committee shall review and approve compensation (including stock option grants and other equity-based compensation) for the Company's directors. In so reviewing and approving director compensation, the Committee shall determine any long-term incentive component of director compensation based on the awards given to directors in past years, the Company's performance, shareholder return, similar awards at comparable companies and such other

factors as the Committee deems appropriate and in the best interests of the Company (including the cost to the Company of such compensation).

Corporate Governance Matters

- Periodically the Committee shall review and reassess the adequacy of the Company's Code of Business Conduct and Ethics and recommend any proposed changes to the Board.
- The Committee shall oversee compliance with the Company's Code of Business Conduct and Ethics. The Committee shall also review and consider any requests for waivers of the Company's Code of Business Conduct and Ethics for the Company's directors, executive officers and other senior financial officers, and shall make a recommendation to the Board with respect to such request for a waiver.
- The Committee shall review potential conflicts of interest involving directors and shall determine whether such director or directors may vote on any issue as to which there may be a conflict.
- The Committee shall review all related party transactions and determine whether such transactions are appropriate for the Company to undertake. If so, the Committee is authorized to approve such transactions.

Reporting to the Board

- The Committee shall periodically report to the Board any issues or recommendations that arise with respect to Board or committee nominees or membership, Board performance, corporate governance or any other matters that the Committee deems appropriate or is requested by the Board.
- The Committee shall periodically review and assess the adequacy of this charter and recommend any proposed changes to the Board for approval.

Authority

The Committee may delegate its authority to subcommittees or the Chair of the Committee when it deems appropriate and in the best interests of the Company.

Procedures

The Committee shall meet as often as it determines is appropriate to carry out its responsibilities under this charter. The Chair of the Committee, in consultation with the other Committee members, shall determine the frequency and length of the Committee meetings and shall set meeting agendas consistent with this charter.