



## CHARTER OF THE FINANCE COMMITTEE

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### **PURPOSE OF THE COMMITTEE**

The Finance Committee is a standing committee of the Board of Directors. The Committee shall have principal oversight responsibility with respect to certain of the Company's material financial matters as set forth below. The Committee shall not have oversight or other responsibility with respect to the Company's financial reporting, which shall remain the responsibility of the Audit Committee of the Board of Directors

### **COMMITTEE MEMBERSHIP**

The Committee shall consist of five members, two of whom shall be designees of GS Direct, L.L.C. (the "Investor") so long as the Investor is entitled pursuant to Section 7.2(a) of the Investment Agreement between Griffon Corporation (the "Company") and the Investor dated August 7, 2008 (the "Investment Agreement") to designate two (2) or more members to the Board of Directors, provided, if the Investor is entitled pursuant to the Investment Agreement to designate only one (1) member to the Board of Directors, the Committee shall include only one Investor designee. The remaining members of the Committee shall be selected by a majority vote of the members of the Board of Directors not designated by the Investor. The Chairperson of the Committee who shall preside over meetings will be designated by the Committee from among the non-Investor designated members.

### **MEETINGS AND PROCEDURES OF THE COMMITTEE**

The Committee shall meet from time to time as appropriate in discharge of its duties, provided it must meet at least once each fiscal year.

The Chairperson shall be responsible for establishing the agendas for meetings of the Committee. An agenda, together with materials relating to the subject matter of each meeting, shall be sent to members of the Committee prior to each meeting. Minutes for all meetings of the Committee shall be prepared to document the Committee's discharge of its responsibilities. The minutes shall be circulated in draft form to all Committee members to ensure an accurate final record, shall be approved at a subsequent meeting of the Committee and shall be distributed periodically to the full Board of Directors. The Committee shall make regular reports to the Board of Directors.

**COMMITTEE  
RESPONSIBILITIES  
AND DUTIES**

The following shall be the principal responsibilities of the Committee:

At least annually, this charter shall be reviewed and reassessed by the Committee and any proposed changes shall be submitted to the Board of Directors for approval, provided such changes are in accordance with the Restated Certificate of Incorporation and Amended Bylaws of the Company.

The Committee shall review and consider: (a) all acquisitions by the Company of assets or equity securities in excess of \$50 million, (b) all mergers or change of control transactions involving the Company or any of its material subsidiaries, (c) the liquidation, dissolution or reorganization of the Company, (d) the sale or other disposition of all or substantially all of the assets of the Company, (e) any offerings or sales of Voting Stock (as defined in the Investment Agreement) for cash in an aggregate amount in excess of \$50 million, other than Excluded Issuances (as defined in the Investment Agreement) and any offerings of equity of any material subsidiary of the Company, and (f) all material capital expenditures made by the Company in excess of the Company's capital expenditure budget, including in each case, the financial terms thereof, following which it shall make a recommendation, which recommendation may be positive or negative, to the full Board of Directors regarding such proposal; provided that any such recommendation shall not be binding on the full Board of Directors.

The Committee shall also carry out such other duties as may be delegated to it by the Board of Directors from time to time.