

PINNACLE DATA SYSTEMS, INC.
(the "Company")
FINANCE AND TRANSACTIONS COMMITTEE CHARTER
(this "Charter")

1. The composition of and qualifications of members of the Finance and Transactions Committee are as follows:
 - (a) There shall be a committee of the Board of Directors (the "Board") known as the Finance and Transactions Committee (the "Committee").
 - (b) The Board shall determine the number of members comprising the Committee with qualifications consistent with the Committee's purposes set forth in Section 2 below, but in no event shall the Committee consist of less than three directors. The Committee members may designate one member to serve as Chairman. The Committee members shall be appointed by the Board and shall serve terms of such length as the Board may determine. Committee members shall serve at the pleasure of the full Board.
2. The purposes of the Committee are:
 - (a) to assist the Board in fulfilling its oversight responsibilities by reviewing and recommending to the Board appropriate action with respect to the Company's financial plans, including a review of the Company's capital structure, source of funds, liquidity and financial position;
 - (b) to review and provide guidance to the full Board and management about:
 - i. policies relating to the Company's cash flow, cash management and working capital, shareholder dividends and distributions, share repurchases and investments;
 - ii. adjustments to the Company's capital structure;
 - iii. equity and debt issuances;
 - iv. proposed mergers, acquisitions, divestitures and strategic investments;
 - v. other transactions or financial issues that management desires to have reviewed by the Committee; and
 - (c) to act on behalf of the Board for any decisions or actions related to the foregoing that are delegated by the Board to the Committee.
3. To carry out its purposes, the Committee shall have the following duties and powers:
 - (a) to the extent delegated by the Board in writing, the Committee may exercise the powers and authority of the Board with respect to authorizing any material financing plans of the Company, including the issuance, amendment, conversion or termination of any debt or equity instruments; and
 - (b) to the extent delegated by the Board in writing, the Committee may exercise the powers and authority of the Board with respect to authorizing any acquisitions or divestitures; and
4. The Committee shall meet at least two times annually, or more frequently as circumstances dictate.
5. The Committee shall have the resources and authority appropriate to discharge its responsibilities, including the authority to retain and terminate independent counsel to the Committee, financial advisory firms, and other experts or consultants, as it deems appropriate, at the expense of the Company.
6. In addition to the duties stated in this Charter, the Committee shall undertake such additional activities within the scope of its primary function as the Committee may from time to time determine or as may

otherwise be required by law, the AMEX Rules, the Company's Articles of Incorporation ("Articles"), Code of Regulations ("Code") or the Board.

7. The Company shall indemnify, in accordance with and to the fullest extent now or hereafter permitted by law, any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit, or proceedings, whether civil, criminal, administrative or investigative, (including, without limitation, an action by or in the right of the Company) by reason of his or her acting as a member of the Committee against any liability or expense actually or reasonably incurred by such person; provided that the member acted in good faith and in a manner he or she reasonably believed to be lawful and in or not opposed to the best interests of the Company. This right to indemnity held by the members of the Committee is in addition to any other remedies afforded the members under the Company's Articles or Code.
8. The material in this Charter is not soliciting material, is not deemed filed with the Commission and is not incorporated by reference in any filing of the Company under the Securities Act of 1933, as amended, or the Securities and Exchange Act of 1934, as amended, whether made before or after the date this Charter is first included in the Company's annual proxy statement filed with the Commission and irrespective of any general incorporation language in such filing.
9. This Charter shall be construed in accordance with and governed by the laws of the State of Ohio.
10. This Charter may not be amended, modified or supplemented except by a writing signed and adopted by a majority of the then incumbent members of the Committee and approved by the Board.

By Order of the Board of Directors

/s/ John Bair
John Bair
Chairman