



Nominating and Governance Committee Charter

Purpose

The Nominating and Governance Committee (the "Committee") of the Board of Directors (the "Board") of Insteel Industries, Inc. (the "Company") shall: (i) establish Board membership criteria; (ii) identify individuals qualified to become Board members consistent with such criteria and recommend the nomination of such individuals when openings exist; (iii) periodically review the Company's corporate governance guidelines and recommend changes as necessary; and (iv) facilitate an annual evaluation of the performance of the Board.

Organization and Membership

1. The Committee will be comprised of at least three independent directors designated annually in February by the Board. The Board also designates the Committee chairman annually. Members of the Nominating and Governance Committee will be considered independent if they meet the criteria for independence required by NASDAQ and any other applicable regulatory requirement. Members of the Committee may be replaced at the discretion of the Board.
2. The Committee has the authority to retain independent counsel, search advisors and other consultants at the expense of the Company and shall have the authority to approve the fees and terms of engagement with such outside parties.
3. The Committee chairman will ensure that accurate minutes of each meeting are prepared and circulated to Committee members.

Responsibilities and Duties

In carrying out its responsibilities, the Committee believes that its policies and procedures should remain flexible in order to react to changing conditions. In addition to such other responsibilities and duties as the Board may from time to time assign, specific responsibilities and duties of the Committee include:

Board and Committee Membership

1. Develop and recommend to the Board criteria for identifying and evaluating candidates for the Board, including standards for assessing independence; business and management experience; familiarity with the business, customers and suppliers of the Company; diverse talents, backgrounds and perspectives; integrity; leadership; judgment; and relevant regulatory and stock exchange membership requirements for the Board and its committees. The Board has established a policy that directors shall not have more than three public-company directorships (including the Company). A candidate's or director's qualifications are evaluated based on these criteria when considered for nomination or re-nomination to the Board.
2. When openings exist, work with the Company's Chairman to identify and recruit qualified director candidates for the Board. The Committee will also review any director candidates that have been properly recommended to the Committee by shareholders or directors of the Company.
3. Recommend candidates to the Board either to stand for election at the next meeting of the Company's stockholders or for appointment to the Board in the event of a vacancy on the Board.
4. Review the appropriate size of the Board, the requisite skills and characteristics of its members and the Board's committee structure.
5. Recommend to the Board the appointment of committee members and chairs.
6. Request and review the resignation of directors in appropriate circumstances. In this regard, the Board's policy is that a director shall tender his or her resignation upon the occurrence of any of the following:
 - a. A substantive change in the director's career or vocation;
 - b. The director, or any company of which he or she is (or within the two preceding years was) an executive officer, general partner or director, is the subject of bankruptcy or insolvency proceeding;
 - c. The director is convicted in a criminal proceeding or is the named subject of a criminal proceeding (other than traffic violations and other minor offenses);

- d. The director (a) is enjoined (and such injunction is not dissolved or the order entering it is not reversed, suspended or vacated) from engaging in any type of business practice or from engaging in any activity in connection with the purchase or sale of any security or in connection with any violation of federal or state securities laws, (b) is found by a court to have violated federal or state securities laws or (c) is a named defendant in any proceeding seeking such an injunction or alleging such a violation.
- e. The director, or any company of which he or she is an executive officer or general partner, is a named plaintiff in any court proceeding brought against the Company or any significant customer of the Company; or
- f. The director becomes associated with another person or entity, where such association presents an actual or apparent conflict of interest, including but not limited to any association with a competitor or customer of the Company.

Corporate Governance

7. Review the Company's Board Governance Guidelines and overall corporate governance at least annually and recommend any changes to the Board for its review and approval.
8. Review and make recommendations to the Board concerning the Company's Code of Business Conduct and Ethics, and assist the Board in reviewing and granting any waiver requests.
9. Review shareholder proposals relating to corporate governance matters and recommend to the Board the Company's response to such proposals.
10. Develop and recommend to the Board for its review and approval an annual self-assessment process, and oversee such process.

Other Items

11. Report regularly to the Board regarding matters the Committee oversees.
12. Periodically review the adequacy of this Charter and recommend any changes to the Board.