

**Charter of Audit Committee
Of The Fastenal Company Board of Directors
(Amended January 2009)**

I. Audit Committee Purpose

There shall be an Audit Committee of the Board of Directors (the “Board”) of Fastenal Company (the “Company”).

The Audit Committee’s purpose is to oversee accounting and financial reporting processes of the Company and the audits of the financial statements of the Company. The Committee also has oversight of the independent auditor’s qualifications and independence and the performance of the Company’s internal audit function and independent auditor.

II. Audit Committee Organization

The Audit Committee shall consist of at least three directors. The members of the Audit Committee and the Chair of the Audit Committee shall be appointed by the Board. Each director appointed to the Audit Committee shall:

1. satisfy the requirements of the National Association of Securities Dealers (“NASD”) rules relating to Audit Committee members, including (a) the independence requirements, (b) the requirement that Audit Committee members not have participated in the preparation of the financial statements of the Company or any current subsidiary of the Company at any time during the past three years and (c) the requirement that the Audit Committee members be able to read and understand financial statements, including the Company’s balance sheet, income statement and cash flow statement; and
2. satisfy the independence requirements of Section 10A(m)(3) of the Securities Exchange Act of 1934 (the “Exchange Act”) and the rules and regulations of the Securities and Exchange Commission (the “SEC”).

At least one member of the Audit Committee must have accounting or financial management expertise as required by the NASD rules. In addition, the Audit Committee shall endeavor to have at all times on the Audit Committee at least one member who satisfies the definition of an “audit committee financial expert” as defined by the SEC.

Compliance with the foregoing requirements shall be determined by the Board in its business judgment and in accordance with applicable rules, regulations and standards in effect from time to time.

III. Audit Committee Responsibilities and Duties

The Audit Committee recognizes that the preparation of the Company’s financial statements and other financial information is the responsibility of the Company’s management and that auditing, or conducting reviews of, those financial statements and other financial information is the responsibility of the Company’s independent auditor. The Audit Committee’s responsibility is to oversee the management and the outside auditors in regard to the accounting and financial reporting processes of the Company and the audits of the financial statements of the Company.

The Company's management, and its independent auditor, in the exercise of their responsibilities, acquires greater knowledge and more detailed information about the Company and its financial affairs than members of the Audit Committee. Consequently, the Audit Committee is not responsible for providing any expert or special assurance as to the Company's financial statements and other financial information or any professional certification as to the independent auditor's work, including without limitation its reports on and reviews of the Company's financial statements and other financial information.

Oversight of Independent Auditor

1. The Audit Committee shall be directly responsible, subject to shareholder ratification, for the appointment, retention, compensation, evaluation, termination and oversight of the work of the independent auditor (including resolution of disagreements between management and the independent auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or related work. The Audit Committee shall have sole authority to approve all audit engagement fees and terms and any non-audit engagements of the independent auditor, subject to the Audit Committee's right to delegate such authority as provided below and to the provisions of any policy regarding pre-approval of services established by the Audit Committee as provided below. The independent auditor shall report directly to the Audit Committee. The Company shall provide appropriate funding, as determined by the Audit Committee, for payment of compensation to any accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company.

2. The Audit Committee shall pre-approve all auditing services and permitted non-audit services to be performed for the Company by its independent auditor, subject to the de minimis exceptions for non-audit services described in Section 10A(i)(1)(B) of the Exchange Act. The Audit Committee shall approve all related fees and terms. The Audit Committee may delegate authority to one or more members of the Audit Committee, who are independent directors of the Board, the authority to grant pre-approvals of audit and permitted non-audit services, provided that decisions of such member(s) shall be presented to the full Audit Committee at its next scheduled meeting. The Audit Committee may establish policies and procedures regarding the engagement of the independent auditor to render services to the Company, provided that the policies and procedures are detailed as to the particular service, the Audit Committee is informed of each service and the pre-approval policies and procedures do not include the delegation of the Audit Committee responsibilities to management. If pre-approval policies and procedures are adopted, the Company may engage the independent auditor to perform services consistent with the policies and procedures. When pre-approving non-audit services, the Audit Committee should consider whether the provision of the non-audit services by the independent auditor is compatible with maintaining the independent auditor's independence.

Authority to Engage Independent Advisors

The Audit Committee shall have the authority to retain independent counsel and other legal, accounting or other advisors as it determines necessary to carry out its duties. The Company shall provide appropriate funding, as determined by the Audit Committee, for payment of compensation to any advisors employed by the Audit Committee.

Other Responsibilities

The Audit Committee, to the extent it deems necessary or appropriate or to the extent required by the Exchange Act, the rules and regulations of the SEC or the rules of the NASD, shall:

1. Responsibility for Financial Statement and Disclosure Matters

(a) Review and discuss with management and the independent auditor the Company's annual audited financial statements, including disclosures made in management's discussion and analysis, and recommend to the Board whether the audited financial statements should be included in the Company's Form 10-K.

(b) Review and discuss with management and the independent auditor the Company's quarterly financial condition and results of operations, including the results of the independent auditor's review of the quarterly financial condition and results of operations, prior to the filing of its Form 10-Q. The review and discussion should include any matters identified by the independent auditor pursuant to Statement on Auditing Standards No.100 regarding the Company's interim financial statements.

(c) Discuss with management and the independent auditor significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements, including any significant changes in the Company's selection or application of accounting principles, any major issues as to the adequacy of the Company's internal controls and any special steps adopted in light of material control deficiencies.

(d) Review and discuss quarterly reports from the independent auditor on:

- (i) all critical accounting policies and practices to be used,
- (ii) all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditor, and
- (iii) other material written communications between the independent auditor and management, such as any management letter or schedule of unadjusted differences.

(e) Discuss with management and the independent auditor the effect of regulatory and accounting initiatives as well as off-balance sheet structures on the Company's financial statements.

(f) Review and consider the matters required to be discussed by Statement on Auditing Standards No. 114 with the independent auditor and management relating to the conduct of the audit, including any difficulties encountered in the course of the audit work, any restrictions on the scope of activities or access to requested information, and any significant disagreements with management.

(g) Receive information from the Company's management about any significant deficiencies or material weaknesses in the design or operation of internal controls that could adversely affect the Company's ability to record, process, summarize and report financial data and any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal controls.

2. Oversight of the Company's Relationship with the Independent Auditor

- (a) Review and evaluate the lead partner of the independent audit team.
- (b) Obtain and review a report from the independent auditor at least annually regarding:
 - (i) items typically identified in a Statement on Auditing Standards (SAS) No. 114 letter (this letter includes, but is not limited to, items such as independent auditors responsibilities under professional standards, accounting practices and alternative treatments, management judgments and accounting estimates, corrected and uncorrected misstatements, disagreements with management, management's consultation with other accountants, significant issues discussed or subject to correspondence with management and significant difficulties encountered during the audit),and
 - (ii) written communications from the independent auditor, consistent with PCAOB Rule 3526, on all relationships between the registered public accounting firm or any affiliates of the firm and the Company or persons in financial reporting oversight roles at the Company that may be thought to bear on independence, and the written affirmation of the independent auditor of their independence as of the date of communication.
- (c) Actively engage in a dialogue with the independent auditor regarding any disclosed relationships or services that may impact the objectivity and independence of the independent auditor. Evaluate the qualifications, performance and independence of the independent auditor, including considering whether the provision of permitted non-audit services is compatible with maintaining the auditor's independence, taking into account the opinions of management and internal auditors. Present its conclusions with respect to the independent auditor to the Board.
- (d) Confirm with the independent auditors that the rotation of the audit partner, lead partner and concurring partner of the independent auditor is occurring as required by law.
- (e) Confirm with management that the Company has not hired employees or former employees of the independent auditor who participated in any capacity in the audit (within the previous two fiscal years) of the Company in order to ensure the independence of the independent auditor under the SEC rules.
- (f) Confirm that none of the audit partners who are members of the audit team earn or receive compensation based on procuring engagements with the Company for providing products or services, other than audit, review or attest services.
- (g) Meet with the independent auditor prior to the audit to discuss the planning and staffing of the audit.

3. Oversight of the Company's Internal Audit Function

- (a) Review the appointment and replacement of the senior internal auditing executive.
- (b) Review the significant reports to management prepared by the internal auditing department and management's responses.
- (c) Discuss with the independent auditor and management the internal audit department responsibilities, budget and staffing and any recommended changes in the planned scope of the internal audit.

4. Compliance Oversight

(a) Obtain from the independent auditor assurance that the audit was conducted in a manner consistent with Section 10A(b) of the Exchange Act.

(b) Administer and oversee, to the extent directed by the Board, any codes of ethics or business conduct adopted by the Company.

(c) Establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.

(d) Discuss with management and the independent auditor any correspondence with regulators or governmental agencies and any published reports which raise material issues regarding the Company's financial statements or accounting policies.

(e) Review and evaluate related party transactions required to be disclosed by Item 404 of SEC Regulation S-K for potential conflict of interest situations on an ongoing basis.

(f) Prepare an audit committee report as required by the rules of the SEC to be included in the Company's annual proxy statement.

(g) Review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.

IV. Audit Committee Meetings

The Audit Committee shall meet as often as it determines, but not less frequently than quarterly. The Audit Committee shall meet periodically with management, the internal auditors and the independent auditor in separate executive sessions. The Audit Committee may request any officer or employee of the Company or the Company's outside counsel or independent auditor to attend a meeting of the Audit Committee or to meet with any members of, or consultants to, the Audit Committee. The Audit Committee shall report regularly to the Board through presentations at Board meetings or by submission of the minutes of the Audit Committee meetings to the Board. In addition to funding for the specific purposes described above, the Company shall provide appropriate funding, as determined by the Audit Committee, for ordinary administrative expenses that are necessary for the Audit Committee to carry out its duties.

While the Committee has the responsibilities and powers set forth in this charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Company's financial statements are complete and accurate and are in accordance with generally accepted accounting principles. This is the responsibility of management and the independent auditor. Nor is it the duty of the Committee to conduct investigations or to assure compliance with laws and regulations and the Company's code of conduct.