

## **CHARTER OF THE AUDIT COMMITTEE INSTEEL INDUSTRIES, INC.**

### Purpose

The Audit Committee (the “Committee”) is appointed by the Board of Directors (the “Board”) of Insteel Industries, Inc. (the “Company”) to assist the Board in its oversight of the integrity of the Company's financial statements, compliance with legal and regulatory requirements, the qualifications and independence of the Company's independent registered auditor, and the performance of the independent auditor and internal audit function.

The primary role of the Committee is to oversee the financial reporting and disclosure process. To fulfill this obligation, the Committee relies on: management for the preparation and accuracy of the Company's financial statements; management for establishing effective internal controls and procedures to ensure the Company's compliance with accounting standards, financial reporting procedures and applicable laws and regulations; and the independent auditor for an unbiased, diligent audit or review, as applicable, of the Company's financial statements and the effectiveness of the Company's internal controls. The members of the Committee are not employees of the Company and are not responsible for conducting the audit or performing other accounting procedures.

### Membership and Structure

The Committee shall consist of a minimum of three members of the Board all of whom shall be independent in accordance with the requirements of Rule 10A-3 of the Securities Exchange Act of 1934, the rules of the New York Stock Exchange, and the Company's independence guidelines. The members of the Committee and its chairperson (the “Chair”) are appointed by the Board upon the recommendation of the Nominating and Governance Committee and shall serve for such term or terms as the Board shall determine. The Board may remove any member from the Committee at any time with or without cause. No member of the Committee can have participated in the preparation of the Company's or any of its subsidiaries' financial statements at any time during the past three years. Each member of the Committee must be financially literate, as determined by the Board. At least one member of the Committee must have accounting or related financial management expertise, as determined by the Board. At least one member of the Committee must be an “audit committee financial expert” as defined in Item 407(d)(5)(ii) of Regulation S-K. A person who satisfies this definition of audit committee financial expert will also be presumed to have accounting or related financial management expertise. In view of the demands and responsibilities of the Committee, members of the Committee should not serve on more than two additional audit committees of other public companies.

### Meetings

The Committee shall meet at least twice per year with the Independent Auditor to discuss the annual audit plan and results. In addition, the Committee shall meet after the end of each quarter and before the issuance of the Company's earnings release and filing of its Form 10-Q or 10-K to discuss the independent auditor's review of the financial information contained in these

reports. Meetings will be conducted at such times and places as the Committee shall determine, including telephonically or by written consent.

### 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:

1. Direct responsibility for the appointment, replacement, compensation, retention and oversight of the work of the independent auditor for the purpose of auditing the Company's annual financial statements, books, records, accounts and internal controls over financial reporting. The independent auditor shall report directly to the Committee.
2. Select, retain, compensate, oversee and terminate, if necessary, any other registered public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company.
3. Review with the Company's management, independent auditor and internal audit function the Company's policies and procedures to reasonably ensure the adequacy of internal accounting and financial reporting controls; the integrity of the Company's financial reporting processes and controls; significant financial risk exposures and the steps management has taken to monitor, control, and report such exposures; and any special audit steps adopted in light of any material control deficiencies, any fraud involving management or other employees with a significant role in such internal controls; disclosure relating to the Company's internal control over financial reporting and disclosure controls and procedures, the independent auditors' report on the effectiveness of the Company's internal control over financial reporting and the required management certifications to be included in or attached as exhibits to the Company's annual report on Form 10-K or quarterly report on Form 10-Q, as applicable.
4. Be familiar with the accounting and reporting principles applied by the Company in preparing its financial statements. The Committee shall review and discuss with management and the independent auditor the accounting policies which may be viewed as critical and any significant changes in the accounting policies of the Company which may have a significant impact on the Company's financial reports, all critical accounting policies and practices to be used in the audit, all alternative treatments of financial information within generally accepted accounting principles ("GAAP") that have been discussed with management, the ramifications of the use of such alternative treatments and the treatment preferred by the auditors, and other material written communications between the independent auditor and management.
5. Review with the independent auditor, prior to the audit, the scope, planning and staffing of the audit, including the independent auditor's engagement letter, and approve the fees to be paid to the independent auditor.

6. Review and preapprove all audit and non-audit services to be provided by the independent auditor. Ensure that any non-audit services do not impair the independent auditor's independence. The authority to grant preapprovals may be delegated to one or more designated members of the Committee, whose decisions will be presented to the full Committee at its next scheduled meeting.
7. Review and discuss the Company's annual audited financial statements and Form 10-K with management and the independent auditor prior to the filing of the Company's Form 10-K with the SEC, with emphasis on (i) major issues regarding accounting and auditing principles and practices or financial statement presentation, including any changes in such principles during the year, (ii) significant financial reporting issues and judgments that arose or were made in connection with the preparation of the audited financial statements, including any adjustments proposed by the independent auditor or the effects of alternative GAAP methods, (iii) significant transactions not a normal part of the Company's operations, and (iv) the effect of regulatory and accounting initiatives and off-balance sheet structures on the Company's financial statements.
8. Review and discuss with the independent auditor and management the Company's annual audited financial statements (including the related notes), the form of audit opinion to be issued by the Independent Auditors on the financial statements and the disclosure under "Management's Discussion and Analysis of Financial Condition and Results of Operations" (MD&A) to be included in the Company's annual report on Form 10-K before the Form 10-K is filed.
9. Recommend to the Board that the audited financial statements and the MD&A section be included in the Company's Form 10-K and whether the Form 10-K should be filed with the SEC; and to produce the audit committee report required to be included in the Company's proxy statement.
10. Review and discuss with the independent auditor and management the Company's quarterly financial statements and the MD&A disclosure to be included in the Company's quarterly report on Form 10-Q before the Form 10-Q is filed; and review and discuss the Form 10-Q for filing with the SEC.
11. Review with the independent auditor the matters required to be discussed by the Public Company Accounting Oversight Board ("PCAOB") relating to the conduct of the audit, including any problems or difficulties encountered in the course of the audit work and management's response; any restrictions on the scope of activities or access to required information; any significant disagreements with management; any management letter provided by the independent auditor and the Company's response to that letter; the independent auditor's evaluation of the quality of the company's financial reporting, information relating to significant unusual transactions and the business rationale for such transactions and the auditors' evaluation of the company's ability to continue as a going concern, and other applicable requirements of the PCAOB and the SEC.
12. Evaluate the cooperation received by the independent auditor during their audit examination and inquires whether there have been any disagreements with management

which, if not satisfactorily resolved, would have caused them to issue a nonstandard report on the Company's financial statements. Also, elicits the comments of management regarding the responsiveness of the independent auditor to the Company's future needs.

13. Discuss with the independent auditor the quality of the Company's financial and accounting personnel and review feedback with the Chief Financial Officer prior to reporting to the Board.
14. Inquire whether management's choices of accounting principles are conservative, moderate or aggressive and whether those principles are common or unusual practices.
15. Review the financial statements and related financial information with management and the independent auditor to determine that management and the independent auditor are satisfied with the disclosures and content prior to releasing any financial statements or comparable information to the public (including any earnings releases) or submitting financial statements or related financial information to the SEC. The Chair of the Committee may represent the entire Committee where time does not permit the review of interim financial information by the full Committee.
16. Evaluate the independence of the independent auditor by periodically obtaining a formal written statement from the independent auditor concerning all relationships between the independent auditor and the Company or any other relationships that may adversely affect the independence of the independent auditor and recommend appropriate Board action in response to the independent auditor's written statement to satisfy the Committee as to the independent auditor's independence.
17. Obtain and review, at least annually, a report by the independent auditor describing (1) the firm's internal quality-control procedures, (2) any material issues raised by the most recent internal quality-control review, peer review, PCAOB inspection, or by any inquiry or investigation by governmental or professional authorities within the past five years regarding one or more independent audits carried out by the firm and any steps taken to deal with any such issues, and (3) all relationships between the firm and the Company or any of its subsidiaries. Discuss with the independent auditor this report and any relationships or services that may impact the objectivity and independence of the independent auditor.
18. Evaluate, at least annually, the qualifications, performance and independence of the Company's independent auditor, including an evaluation of the lead audit partner; and assure the regular rotation of the lead audit partner.
19. Review and discuss with management and the independent auditor the timing and process for implementing the rotation of the lead audit partner and the reviewing partner, which rotation must occur not less than every five years.
20. Review, approve and oversee any transaction between the Company and any related person (as defined in Item 404 of Regulation S-K) and any other potential conflict of interest situations on an ongoing basis, in accordance with Company policies and procedures.

21. Review and discuss with management and the independent auditor any material non-financial arrangements of the Company that do not appear on the financial statements of the Company, and any transaction or series of transactions dealing with related parties that are significant in size or involve terms or other aspects that differ from those that would likely be negotiated with independent parties. With respect to related-party transactions that involve a member of the Board, discuss with the Board, at least annually, whether the transaction or transactions affect the independence of the Director.
22. Review, discuss with the independent auditor, and approve the functions of the Company's internal audit department, including its purpose, authority, organization, responsibilities, budget and staffing; review the scope and performance of the department's annual internal audit plan, including the results of any internal audits, any significant reports to management and management's response to those reports; and review and approve the hiring or dismissal of the head of the Company's internal audit department.
23. Set Company hiring policies for employees or former employees of the independent auditor.
24. Review and discuss the Company's policies with respect to risk assessment and risk management.
25. Review the Company's compliance with applicable laws and regulations and review and oversee the Company's policies, procedures and programs designed to promote and monitor legal, ethical and regulatory compliance.
26. Establish procedures to receive and follow up on complaints regarding accounting, internal accounting controls or auditing matters and the confidential and anonymous submission by employees of concerns regarding questionable accounting or auditing matters. Periodically communicate to all employees the existence and anonymity of such communication channel and procedures established.
27. Delegate any Committee responsibilities, along with the authority to take action in relation to such responsibilities, to one or more subcommittees as the Committee may deem appropriate in its sole discretion.
28. Retain and obtain the advice and assistance of independent outside counsel and such other advisors as it deems necessary, in its sole discretion, to fulfill its duties and responsibilities under this Charter. The Committee shall set the compensation, and oversee the work, of any outside counsel and other advisors.
29. Receive appropriate funding from the Company, as determined by the Committee in its capacity as a committee of the Board, for the payment of compensation to the Company's independent auditors, any other accounting firm engaged to perform services for the Company, any outside counsel and any other advisors to the Committee.
30. Maintain minutes of meetings and periodically report to the Board on significant results of Committee activities.

31. Report regularly to the Board regarding matters the Committee oversees.
32. Review the Committee Charter on an annual basis and recommend to the Board any modifications to the Charter that the Committee deems appropriate for the approval of the Board.
33. Conduct an annual evaluation of the performance of its duties under this Charter and present the results of the evaluation to the Board. The Committee shall conduct this evaluation in such manner as it deems appropriate.

*Adopted February 16, 2021*