

CHARTER OF THE NOMINATING AND GOVERNANCE COMMITTEE INSTEEL INDUSTRIES, INC.

Purpose

The Nominating and Governance Committee (the “Committee”) is appointed by the Board of Directors (the “Board”) of Insteel Industries, Inc. (the “Company”) to assist the Board in carrying out its responsibilities of: (i) establishing Board membership criteria; (ii) identifying individuals qualified to become Board members consistent with such criteria and recommending the nomination of such individuals when openings exist; (iii) periodically reviewing the Company’s corporate governance guidelines and recommend changes as necessary; and (iv) facilitating an annual evaluation of the performance of the Board.

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 rules of the New York Stock Exchange, any other applicable regulatory requirement, and the requirements of 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 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.

Meetings

The Committee shall meet at such times and places, including telephonically or by written consent, as it deems necessary to fulfill its responsibilities.

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. 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 who are retired from full-time employment shall not have more than four public company directorships (including Insteel) and directors who are not retired from full-time employment shall not have more than three public-company directorships (including Insteel).
2. Identify and screen candidates and/or directors based on the Board’s criteria when evaluating whether individuals are qualified for nomination or re-nomination to the Board.

3. When openings exist, work with the Company's Chair 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.
4. Recommend candidates to the Board either to stand for election at the next meeting of the Company's shareholders or for appointment to the Board in the event of a vacancy on the Board.
5. Review the appropriate size of the Board, the requisite skills and characteristics of its members and the Board's committee structure.
6. Recommend to the Board the appointment of committee members and chairs.
7. 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;
 - 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; or
 - g. The failure of a director to receive a majority of the shares voted in an uncontested election for director.

8. Review the Company's Board Governance Guidelines and overall corporate governance policies at least annually and recommend any changes to the Board for its review and approval.
9. 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.
10. Review shareholder proposals relating to corporate governance matters and recommend to the Board the Company's response to such proposals.
11. Develop and recommend to the Board for its review and approval an annual self-assessment process, and oversee such process.
12. 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.
13. Retain and obtain the advice and assistance of independent counsel, search advisors and other consultants 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 consultants and advisors.
14. Maintain minutes of meetings and periodically report to the Board on significant results of Committee activities.
15. Report regularly to the Board regarding matters the Committee oversees.
16. 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.

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.