

Charter of the Nominating and Governance Committee

The Nominating and Governance Committee (the “Committee”) shall report to and assist the Board of Directors (the “Board”) of Art’s-Way Manufacturing Co., Inc. (the “Company”). The purpose of the Committee shall be to identify qualified individuals for membership on the Board and recommend to the Board the director nominees for the next annual meeting of shareowners.

Membership on the Committee

- The Committee shall be comprised of the three members of the Board.
- All members of the Committee shall be independent directors, as independence is defined in accordance with the rules, regulations and standards of NASDAQ, and as determined in the business judgement of the Board.
- Members of the Committee shall be appointed and may be removed by the Board.
- The Board as a whole may act in place of the Committee, so long as actions are taken in compliance with applicable SEC and NASDAQ corporate governance requirements.

Duties and Responsibilities of the Committee

- Criteria for Nomination to the Board: The Board shall set general criteria for nomination to the Board. The general criteria and policies for nomination to the Board shall be annexed to this Charter. The Committee will consider candidates for nomination submitted by stockholders in accordance with applicable law and the policies annexed to this Charter. Any candidate submitted by stockholders shall be considered on the same basis as any other candidate submitted for consideration as a nominee.
- Nomination of Directors: The Committee shall annually consider the size, composition and needs of the Board and consider and recommend candidates for membership on the Board. The Committee shall recommend to the Board each year the director nominees for election at the next annual meeting of stockholders. Upon the recommendation of the Committee, and subject to any limitations in the Company’s Bylaws, the Board may elect a new or replacement director to the Board during the course of the year to serve until the next annual meeting of stockholders.
- Reports to the Board: The Committee shall report regularly to the Board on its meetings and review with the Board significant issues and concerns that arise at meetings of the Committee.
- Charter Review: On an annual basis, the Committee shall review the adequacy of this Charter, and recommend to the Board any modifications or changes for approval by the Board.

Meetings of the Committee

The Committee will meet at least twice each year. The Committee will keep written minutes on its meetings.

Delegation

To the extent permissible under applicable laws and regulations, the Committee may delegate any of its responsibilities to one or more members of the Committee or a subcommittee comprised of one or more members of the Committee; provided that any such members or subcommittee to whom any responsibilities are delegated shall report regularly to the Committee regarding the matters delegated.

Criteria and Policies for Director Nominations

The Nominating and Governance Committee (the “Committee”) believes that candidates for the Board of Directors (the “Board”) of Art’s-Way Manufacturing Co., Inc. (the “Company”) should have certain

minimum qualifications, including being able to read and understand basic financial statements, having familiarity with the Company's business and industry, having high moral character and mature judgment and being able to work collegially with others. The Committee may modify these minimum qualifications from time to time.

Board Membership Criteria

Board members are elected by the Company's stockholders annually, except for Board action to fill vacancies (whether occurring due to the resignation or removal of a current director or due to a newly created directorship, and subject to any limitations contained in the Company's Bylaws). The Committee identifies, reviews, evaluates and recommends to the Board candidates for nomination for membership on the Board. An invitation to join the Board should then be extended by the Board through the Chairman of the Committee, if one has been formally appointed, or through the Chairman of the Board. The Committee will consider candidates for the Board who are recommended by stockholders, directors, officers, third party search firms engaged by the Company and other sources. In evaluating director nominees, the Committee considers the following factors:

- The independence standards established by the Company, the presence of any material interests that could cause a conflict between the Company's interests and the interests of the director nominee, and the director nominee's ability to exercise his or her best business judgment in the interest of all stockholders
- The director nominee's willingness to adhere to the Company's Code of Ethics
- The director nominee's ability to devote sufficient time to the business of the Board and at least one of the Board's standing committees, in light of the number of other boards on which the director nominee serves (for profit and not-for-profit) and the other business and professional commitments of the director nominee
- The appropriate size and the diversity of the Company's Board
- The knowledge, skills and experience of the director nominee, including experience in the industry in which the Company operates, as well as in the general areas of business, finance, management and public service, in light of prevailing business conditions and the knowledge, skills, and experience already possessed by other members of the Board.
- The director nominee's familiarity with domestic and international business matters
- The director nominee's familiarity with legal and regulatory requirements that are applicable to the Company
- The director nominee's experience with accounting rules and practices
- The Board's desire to balance the considerable benefit of continuity with the periodic injection of the fresh perspective provided by new members

The Committee will consider the attributes of the candidates and the needs of the Board and will review all candidates in the same manner, regardless of the source of the recommendation.

Stockholder Nomination of Directors

In order for a candidate to be considered for nomination by the Board, a stockholder must submit to the attention of the Chief Executive Office of the Company a written recommendation that contains the following information:

- The full name and address of the stockholder or group submitting the recommendation
- The number of shares of common stock of the Company owned (beneficially and of record) by the stockholder or group submitting the recommendation and the date such shares were acquired (together with satisfactory evidence of the duration of ownership, as provided by SEC rules, if the stockholder or group is not a registered holder)

- The full name and address of the director nominee
- The age of the director nominee
- A five-year business history of the director nominee
- The amount of common stock of the Company owned (beneficially and of record) by the director nominee
- Whether the director nominee can read and understand basic financial statements
- The director nominee's other board memberships, if any
- Any family relationships between the director nominee and any executive officer or current director of the Company
- A written consent of the director nominee to be named in the Company's proxy statement and to serve as a director if elected
- A written consent of the stockholder or group to be named in the Company's proxy statement

Additionally, any holder of common stock nominating a candidate is encouraged to set forth any other qualifications which he or she believes the candidate has to serve as director of the Company and the reasons why the holder believes the candidate should be elected the Company's Board. The Committee or the Board may require the stockholder or nominee to furnish additional information to evaluate the nominee's suitability. In the event a stockholder does not comply with the nomination process described herein, the proposed nomination may be declared defective and disregarded.