

**KATY INDUSTRIES, INC.**

**AMENDED AND RESTATED  
NOMINATING & GOVERNANCE  
COMMITTEE CHARTER**

April 28, 2008

The following shall constitute the Amended and Restated Nominating & Governance Committee Charter (the “Charter”) of the board of directors of Katy Industries, Inc. (the “Corporation”) and shall replace and supercede any and all former Charters, including the Charter previously adopted on November 20, 2003.

**I. ORGANIZATION**

There shall be constituted a standing committee of the board of directors of the Corporation (the “Board”) to be known as the nominating & governance committee (the “Nominating & Governance Committee” or the “Committee”) that shall oversee the Corporation’s corporate governance principles, guidelines and practices as well as identify, qualify and nominate individuals to stand for election to or fill any vacant seats on the Board.

**II. COMPOSITION AND SELECTION**

The Nominating & Governance Committee shall be comprised of three (3) or more directors. The members of the Nominating & Governance Committee shall satisfy any requirements of independence set by the Board, which in no event shall fail to meet or be less restrictive than the independence requirements set forth in the listing requirements of the New York Stock Exchange, the rules and regulations of Securities Exchange Commission and any other applicable laws or regulations, as then in effect.. In addition, each member shall satisfy the requirements of an “outside director” for purposes of Section 162(m) of the Internal Revenue Code of 1986, as amended and a “non-employee director” for purposes of Section 16 of the Securities Exchange Act of 1934, as amended (the “Independent Directors”).

The members of the Nominating & Governance Committee shall be appointed by the Board at the Board’s annual meeting. Each member of the Nominating and Governance Committee shall serve at the pleasure and discretion of the Board and may be removed and replaced at any time and from time to time in the Board’s discretion. The members of the Nominating & Governance Committee shall serve for one (1) year or otherwise until their successors are duly elected and qualified. Unless a chairman is elected by the full Board, the members of the Nominating & Governance Committee shall designate a chairman by majority vote of the full Nominating & Governance Committee membership.

The duties and responsibilities of Nominating & Governance Committee members contained herein shall be in addition to those duties otherwise required for members of the Board.

### **III. STATEMENT OF PURPOSE**

The Nominating & Governance Committee is appointed by the Board (1) to assist the Board by identifying individuals qualified to become Board members and to recommend to the Board the director nominees for the next annual meeting of shareholders; (2) to oversee the governance of the Corporation, including recommending the Corporate Governance Guidelines for the Corporation (the “Corporate Governance Guidelines”) to the Board; (3) to lead the Board in its annual review of the Board’s performance; and (4) to recommend to the Board director nominees and individual directors for each committee.

### **IV. COMMITTEE OBJECTIVES**

The Nominating and Governance Committee’s objectives shall include serving as an independent and objective party to identify and nominate qualified candidates for director and board committee placement; nominating members for each of the Board’s committees; taking a leadership role in shaping the Corporation’s corporate governance; and overseeing the evaluation of the Board and management.

### **V. COMMITTEE AUTHORITY AND RESPONSIBILITIES**

The Nominating & Governance Committee shall have the sole authority to retain and terminate any search firm to be used to identify director candidates and shall have sole authority to approve the search firm’s fees and other retention terms. The Nominating & Governance Committee also shall have authority to obtain advice and assistance from internal or external legal, accounting or other advisors. The Nominating & Governance Committee shall also have the authority to determine, and to receive from the Corporation, the appropriate compensation to be paid to any special legal, accounting or other consultant retained by the Nominating & Governance Committee.

The Nominating & Governance Committee may form and delegate authority to subcommittees comprised entirely of Independent Directors or its chair when appropriate. The Nominating & Governance Committee shall have the right to consult with or obtain input from management of the Corporation but, except as expressly provided herein, shall not delegate any of its responsibilities to such management.

The Nominating & Governance Committee shall:

1. Review and consider periodically the desired composition of the Board, taking into account the Corporate Governance Guidelines and such factors as expertise, reputation, integrity, independence, potential for conflicts of interests and other appropriate qualities;
2. Establish any qualifications and standards for individual directors;
3. Actively seek, identify and recommend to the Board individuals qualified to become board members, consistent with criteria approved by the Board. The Nominating and Governance Committee identifies candidates for election to the Board on its own as well

as by considering recommendations from stockholders, other members of the Board, officers and employees of the Corporation, and other appropriate sources;

4. Evaluate and recommend to the Board nominees for election as directors. When considering a director standing for re-election, in addition to the attributes described above, the Committee shall consider the individual's past contribution and future commitment to the Corporation;
5. Ensure that the Board is comprised of a sufficient number of Independent Directors to satisfy any requirements of the New York Stock Exchange;
6. Make recommendations to the Board regarding the size of the Board;
7. Evaluate and recommend to the Board nominees for each of the Board's committees, including recommendations to the Board concerning the charters, structure, operations, composition and qualification for membership of the Board's committees;
8. Present all nominees in a timely fashion to minimize disruption in the Corporation's business and at such a time to allow for the full consideration of the nominees by the Board and the timely submission of any filings required by the Securities and Exchange Commission;
9. Make recommendations to the Board regarding tenure and classifications of directors;
10. Receive comments from all directors and report annually to the Board with an assessment of the Board's performance, to be discussed with the full Board following the end of each fiscal year; consider, discuss and recommend ways to improve the Board's effectiveness;
11. Annually review and reassess the adequacy of the Corporate Governance Guidelines of the Corporation as well as the Corporation's code of business conduct and ethics (the "Code of Business Conduct and Ethics") and recommend any proposed changes to the Board for approval;
12. Review periodically the Corporation's conflict of interest policies and evaluate the adequacy of the Corporation's conflict of interest policies when business opportunities arise that potentially may give rise to the appearance of impropriety;
13. Obtain confirmation from the Corporation's management that the conflict of interest policies and the Code of Business Conduct and Ethics are understood and implemented;
14. Consider with management public policy issues that may affect the Corporation;
15. Consider and report to the Board, at least annually, succession planning for the Chief Executive Officer (the "CEO"). Any review of possible internal candidates should include: (a) readiness and potential; (b) demonstrated skills and competencies; (c) needed experience and training to fill gaps; and (d) a plan for adequate exposure to the Board;

16. Review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval;
17. Annually review its own performance and make regular reports to the Board; and
18. Perform such other functions as the Board may request.

## **VI. MEETINGS**

The Nominating & Governance Committee shall meet as often as may be deemed necessary or appropriate in its judgment and that of the Board, but in no event shall the Committee meet less than quarterly in executive sessions without any members of management present. The chairman or a majority of the members of the Nominating & Governance Committee may call meetings of the Committee upon reasonable notice to all members of the Committee. The Committee shall meet at such a time and place to allow for the timely presentment of any nominees to the Board for consideration. At each meeting of the Committee, a majority of the members shall constitute a quorum, and a majority of the members present at any meeting at which a quorum is present may act on behalf of the Committee. The Committee may meet in person or by telephonic or video conference, and may take actions by unanimous written consent of all the members of the Committee. The proceedings of all Committee meetings shall be documented in minutes. When present, the chairman will preside at all meetings of the Nominating & Governance Committee. Following each meeting, the Nominating & Governance Committee shall report to the Board at the next regularly scheduled Board meeting, or sooner, as circumstances may dictate.

## **VII. CONSISTENCY WITH CHARTER**

To the extent that any provision or section of this Charter may be inconsistent with any article, provision or section of the Certificate of Incorporation or the Bylaws of the Corporation, the Certificate of Incorporation or the Bylaws, as appropriate, shall fully control.

## **VIII. CERTIFICATION**

This Nominating & Governance Committee Charter was duly approved and adopted by the Board of the Corporation on the 28th day of April 2008.