



CLEARFIELD, INC.

NOMINATING & CORPORATE GOVERNANCE COMMITTEE CHARTER

Purpose

The primary purpose of the Nominating & Corporate Governance Committee (the “Committee”) is to assist the Board of Directors of Clearfield, Inc. (the “Company”) in effectively discharging its responsibility by establishing an appropriate structure for the governance of the Board and its committees, including the process of director selection.

Membership

The Committee will consist of at least two members of the Board of Directors. The Committee will consist solely of directors who meet the independence requirements of the NASDAQ Stock Market, Inc. The chair of the Committee and members shall be appointed by the Board of Directors.

Meetings

The Committee shall meet at least annually and as otherwise required to carry out its responsibilities. Minutes of such meetings will be prepared and distributed to each member of the Board. The chairperson of the Committee will report to the Board from time to time, or whenever so requested by the Board.

Responsibilities

The Committee shall have the following responsibilities:

- 1) Develop, recommend to the Board for approval, and periodically review governance guidelines, including any policy regarding specific minimum qualifications to be reviewed by the Committee in selecting nominees for director.
- 2) Review, at least annually, the composition of the Board of Directors in terms of experience, expertise, and special knowledge required for the effective discharge of the Board’s responsibilities.
- 3) Evaluate the suitability of potential director nominees according to the criteria for selecting new directors as set forth in the Company’s Governance Guidelines and select director nominees for appointment to the Board of Directors and election by the shareholders. Evaluate and approve nominees recommended by the Company’s shareholders, provided the Committee determines such shareholder is eligible to make the nomination and follows the procedures set forth in the Company’s Bylaws and otherwise complies with applicable laws and regulations. The Committee will consider persons recommended by shareholders using the same standards as other nominees.

- 4) Review the independence and other qualifications of each member of the Audit Committee, Compensation Committee, and Nominating & Corporate Governance Committee at least annually and communicate with the Board regarding the qualifications of each committee member.
- 5) Review the experience and expertise of the members of the Audit Committee members to determine whether any member of such committee is an “audit committee financial expert” under the rules of the Securities and Exchange Commission and recommend the same to the Board.
- 6) Review and make recommendations to the Board relative to the size of the Board and the membership on Board committees.
- 7) The Committee shall review annually the position of Chairman of the Board of Directors, develop succession plans for the Chairman position and identify individuals qualified to serve as Chairman, and make recommendation to the Board of Directors regarding any changes in the position of Chairman. If the Committee recommends to the Board of Directors the appointment of a lead director at any time, the Committee shall also recommend to the Board of Directors a description of the responsibilities of such lead director.
- 8) Oversee the annual review of the performance of the Board and each committee of the Board.
- 9) Determine the evaluation process for the Chief Executive Officer.
- 10) Review and make recommendations to the full Board on succession plans for the Chief Executive Officer.
- 11) Review this Charter annually and recommend any proposed changes to the Board for approval.
- 12) Review, develop or recommend to the Board training and orientation programs for directors.
- 13) Perform such other nominating and corporate governance related functions as may be delegated to the Committee from time to time.

Outside Advisors

The Committee shall have the authority, at the Company’s expense, to select, retain and approve the terms of compensation of professional advisors (including without limitation special legal and other consultants) to advise the Committee, on such terms and for such purposes the Committee deems necessary or advisable in connection with the exercise of its powers and responsibilities as set forth in this Charter.