

Director Nominations

Criteria

The Board seeks candidates to serve as directors of the Company who possess the background, skills and expertise to make a significant contribution to the Company and its shareholders.

Desired qualities to be considered include one or more of the following:

- leadership experience in business or administrative activities;
- breadth of knowledge about issues affecting the Company;
- ability to contribute special expertise to Board or committee activities.

All directors should have:

- personal integrity;
- loyalty to the Company and concern for its success and welfare;
- the ability and willingness to apply sound and independent judgment;
- an awareness of a director's vital part in the Company's good corporate citizenship;
- time available for meetings and consultation on Company matters;
- the commitment to serve as a director for a reasonable period of time;
- the willingness to assume the fiduciary responsibilities of a director.

Qualified candidates for membership on the Board will be considered without regard to race, color, religion, sex, ancestry, national origin or disability.

Except during periods of temporary vacancies or under other circumstances outside of the Company's control, a majority of the individuals serving on the Board will be independent directors as such term is defined in the listing standards of The NASDAQ Stock Market ("Independent Directors").

Process

The Company's Independent Directors are responsible for making recommendations to the Board concerning Board composition. These responsibilities include:

- reviewing, at least annually, the overall makeup of the Board and the needs of the Company for new directors;
- identifying, evaluating and recruiting candidates to fill any additional or vacant positions on the Board;
- recommending to the full Board candidates to be nominated for election at the annual meeting of shareholders.

If the Independent Directors determine to recommend the addition of one or more directors, or if a vacancy occurs on the Board that the Company is required to fill or that the Independent Directors determine should be filled, the following procedures shall be followed in identifying, evaluating and recruiting director candidates to the extent the Independent Directors deem necessary or appropriate:

- the Independent Directors will initiate a search for director candidates;
- an initial slate of candidates will be identified;
- inquiries into the background and qualifications of the initial slate will be conducted;
- the Independent Directors will discuss the initial slate and determine one or more preferred candidates;
- the preferred candidate or candidates will be interviewed by the Chairman of the Board and, if the Chairman is not an Independent Director, at least one Independent Director;
- the Independent Directors will meet in executive session to consider and approve the final candidate;
- the Independent Directors will seek Board endorsement of the final candidate;
- a formal invitation to the final candidate to become a director of the Company will be extended by the Chairman of the Board following Board endorsement.

The Independent Directors may consult with the full Board and members of the Company's management in determining the needs of the Company for new directors and in identifying, evaluating and recruiting director candidates, and may use Company personnel to assist them with the performance of their duties. The Independent Directors shall have the authority to retain search firms to assist in identifying and evaluating director candidates, as well as such other advisors as the Independent Directors determine necessary to carry out their duties. The Company shall provide appropriate funding, as determined by the Independent Directors, for payment of compensation to any search firm or other advisors so employed by the Independent Directors.

Qualified candidates for membership on the Board recommended by shareholders of the Company will be considered by the Independent Directors. Candidates recommended by shareholders will be evaluated in the same manner as other candidates. Shareholders may recommend candidates by sending an e-mail to bod@fastenal.com or writing to Board of Directors, Fastenal Company 2001 Theurer Blvd. Winona, MN 55987 and providing the candidate's name, biographical data and qualifications.