

LSI INDUSTRIES INC.
NOMINATING AND CORPORATE GOVERNANCE COMMITTEE CHARTER
ADOPTED BY THE BOARD OF DIRECTORS ON AUGUST 11, 2004

This Charter has been adopted by the Board of Directors of LSI Industries Inc. and may be modified by the Board from time to time. The Committee shall consist of a minimum of two directors who shall be appointed and removed by the Board of Directors. All members of the Committee shall satisfy standards of independence prescribed by The Nasdaq Stock Market. The Committee is authorized to engage advisors, consultants and search firms in connection with the performance of its duties. The following are the purposes, duties and responsibilities of the Committee:

1. To recommend to the Board any changes in the size of the Board and of its Committees;
2. To identify qualified nominees for the Board and determine the particular nominees who will be nominated by the Company for annual election to the Board. If there is a vacancy in any director's seat, whether through an increase in the size of the Board or otherwise, the Committee shall recommend to the Board of Directors a nominee to fill such vacancy;
3. In nominating individuals as directors, the Committee shall take into account, among other factors which it may deem appropriate, the judgments, skill, diversity, business experience, and needs of the Board as its function relates to the business of the Company;
4. The Committee shall consider candidates proposed by management and stockholders as well as by its own members;
5. To identify Board members qualified to fill vacancies on Committees of the Board taking into account requirements of The Nasdaq Stock Market, federal and state law and the suitability of persons for particular Committee assignments and any other factors deemed appropriate by the Committee;
6. To monitor and recommend the structure and functions of the various committees of the Board;
7. To advise on changes in Board compensation;
8. To consider matters of corporate governance and to establish and review, periodically, any corporate governance principles implemented by the Board or the Company;
9. To enact policies and procedures as necessary or advisable from time to time with respect to any of the above-referenced purposes, duties and responsibilities as well as to conduct performance evaluations of the Committee in the Committee's discretion.