

KEITHLEY INSTRUMENTS, INC.

**CHARTER OF THE NOMINATING AND CORPORATE GOVERNANCE
COMMITTEE OF THE BOARD OF DIRECTORS**

Adopted December 4, 2003

1. Purposes of the Committee

The purposes of the Nominating and Corporate Governance Committee (the “Committee”) of the Board of Directors (the “Board”) of Keithley Instruments, Inc. (the “Company”) are to (1) identify individuals qualified to become Board members consistent with criteria approved by the Board, and to select or recommend to the Board the director nominees for the next annual meeting of shareholders; (2) recommend board committee structure, membership and operations; (3) develop and recommend to the Board a set of corporate governance policies and principles applicable to the Company; and (4) oversee the Board in its annual review of the Board’s performance.

2. Composition of the Committee

The Committee shall consist of no fewer than three directors. Each member of the Committee shall qualify as an independent director under the standards established by the New York Stock Exchange. The members of the Committee shall be appointed by and serve at the pleasure of the Board. Vacancies on the Committee may be filled by the Board, and members of the Committee may be removed only by the Board.

3. Meetings and Procedures of the Committee

The Committee shall meet at least two times annually or more frequently as circumstances require. The Board shall designate one member of the Committee as its Chairperson. The Chairperson will, in conjunction with appropriate members of the Committee and management, establish the meeting calendar, set the agenda for each meeting and preside at each meeting. Committee members may suggest the inclusion of matters for the agenda. The Chairperson of the Committee or a majority of the members of the Committee may call special meetings of the Committee. The Committee may form subcommittees of not fewer than two members for any purpose that the Committee deems appropriate and may delegate to such subcommittees such power and authority as the Committee deems appropriate.

The Committee may request that any directors, officers or employees of the Company, or other persons whose advice and counsel are sought by the Committee, attend any meeting of the Committee to provide such information as the Committee requests.

The Committee may meet in executive session outside the presence of the Company’s executive officers.

4. Committee Authority and Responsibilities

a. Selecting New Directors; Committees

(i) The Committee, in consultation with the Board, shall determine the desired skills and attributes for Board members and conduct searches for prospective Board members whose skills and attributes reflect those desired.

(ii) The Committee shall make recommendations to the Board regarding all nominees for Board membership including candidates submitted by shareholders and those director nominees to be elected by the Board to fill interim vacancies.

(iii) The Committee shall annually recommend a slate of nominees to the Board at the annual meeting of the Company's stockholders.

(iv) The Committee shall, after consultation with legal counsel and the respective committee chairpersons, recommend to the Board the structure and membership qualifications for board committee members in compliance with any regulatory requirements. The Committee shall recommend directors to serve as committee members.

(v) The Committee shall have authority to obtain advice and seek assistance from internal or external legal, accounting or other advisors. The Committee shall also have the sole authority, if it deems it appropriate, to retain and terminate any search firm to be used to identify director candidates and shall have sole authority to approve search firm's fees and other retention terms.

b. Evaluation of the Board and Management

(i) The Committee shall develop, administer and oversee an annual performance review of the Board.

(ii) The Committee shall work with the other Board committees to ensure an effective and consistent process for annual committee reviews.

(iii) The Committee shall oversee the annual evaluation of management.

c. Oversight of Corporate Governance Guidelines

(i) The Committee shall review and reassess the adequacy of the Corporate Governance Guidelines of the Company and recommend any proposed changes to the Board for approval.

(ii) The Committee shall advise the Board (as a whole) on corporate governance matters.

d. Annual Performance Evaluation of the Committee

(i) The Committee shall review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.

(ii) The Committee shall annually review its own performance.

e. Board Compensation

The Committee will, in coordination with the Compensation Committee of the Board, review competitive compensation trends and practices for Board and committee members. The Committee will recommend to the Compensation and Human Resources Committee changes in compensation for Board and committee members deemed appropriate to ensure the ongoing ability to attract and retain fully qualified Board members.

f. Additional Activities

The Committee shall perform any other activities consistent with this Charter, the Company's regulations and governing law as the Committee or the Board deem appropriate.