

NOMINATING AND CORPORATE GOVERNANCE COMMITTEE CHARTER
KMG Chemicals, Inc. (“KMG”)

Nominating And Corporate Governance Committee Charter

This Nominating and Corporate Governance Committee Charter (the “Charter”) sets forth the purpose and membership requirements of the Nominating and Corporate Governance Committee (the “Committee”) of the Board of Directors (the “Board”) and establishes the authority and responsibilities delegated to it by the Board.

1. **Purpose.** The purpose of the Committee is to (i) identify and recommend to the Board individuals qualified to be nominated for election to the Board, (ii) recommend to the Board the members and Chairperson for each Board committee, (iii) monitoring a process to evaluate the effectiveness of the Board, (iv) develop and implement KMG’s corporate governance guidelines, (v) periodically review and assess KMG’s Code of Business Conduct and make recommendations for changes thereto to the Board, and (vi) oversee and report to the Board on the status of specific Board Objectives that may be assigned to the committee each year.

2. **Committee Members.**
 - 2.1. **Composition and Appointment.** The Committee shall consist of three (3) or more members of the Board. The Board shall designate members of the Committee on the recommendation of the Committee. If the Board does not select a Chairperson, the members so appointed shall, at their next meeting, elect a Chairperson of the Committee to serve until a successor is named. Membership on the Committee shall rotate at the Board’s discretion. The Board shall fill vacancies on the Committee and may remove a Committee member from the membership of the Committee at any time without cause. Members shall serve until their successors are appointed by the Board.

 - 2.2. **Independence.** Each member of the Committee must meet the independence requirements of the New York Stock Exchange (“NYSE”) and applicable state and federal law, including the rules and regulations of the Securities and Exchange Commission (“SEC”).

 - 2.3. **Subcommittees.** The Committee shall have the authority to delegate authority and responsibilities to subcommittees; provided, that no subcommittee shall consist of less than two members.

3. **Meetings.**
 - 3.1. **Frequency of Meetings.** The Committee shall meet at least twice per fiscal year. The schedule for regular meetings of the Committee shall be established by the Committee. The Chairperson of the Committee may call a special meeting at any time as he or she deems advisable.

 - 3.2. **Minutes.** Minutes of each meeting of the Committee shall be kept to document the discharge by the Committee of its responsibilities. The Committee shall report regularly to the Board with respect to its activities.

- 3.3. **Quorum.** A quorum shall consist of a majority of the Committee's members. The act of a majority of the Committee members present at a meeting at which a quorum is present shall be the act of the Committee.
- 3.4. **Agenda.** The Chairperson of the Committee shall prepare an agenda for each meeting of the Committee, in consultation with Committee members and any appropriate member of KMG's management or staff, as necessary. As requested by the Chairperson, members of KMG's management and staff shall assist the Chairperson with the preparation of any background materials necessary for any Committee meeting.
- 3.5. **Presiding Officer.** The Chairperson of the Committee shall preside at all Committee meetings. If the Chairperson is absent at a meeting, a majority of the Committee members present at a meeting shall appoint a different presiding officer for that meeting.

4. **Board and Committee Members.**

- 4.1. **Nominee Criteria and Qualifications.** The Committee shall establish criteria for persons to be nominated for election to the Board and its committees, taking into account the composition of the Board as a whole, in order that the Board and its committees shall consist of persons having the highest personal and professional integrity who effectively serve the long term interests of the shareholders. Those criteria shall include a candidate's qualification as "independent," under the various standards applicable to the Board and each of its committees, a candidate's depth of experience and availability, the balance of the business interest and experience of the incumbent or nominated directors, and the need for any required expertise on the Board or one of its committees, including the expertise needed to support and oversee the execution of Company strategy. With respect to incumbent members of the Board, the Committee shall also consider the performance of the incumbent director. In addition, the Committee shall determine whether qualifications for membership on each committee of the Board of Directors are met.
- 4.2. **Consideration of Stockholder Recommendations.** The Committee shall be responsible for establishing a policy regarding consideration of director candidates recommended by KMG's stockholders and the procedures to be followed by stockholders that desire to submit such a recommendation.
- 4.3. **Identification of Board Candidates.** When the circumstances require, the Committee shall identify new persons qualified to be nominated for election as directors, taking into account the director qualification criteria approved by the Board. The Committee shall also annually review each incumbent director's past performance and determine whether such director should be nominated for reelection.
- 4.4. **Selection of Board Nominees.** Prior to each annual meeting of the shareholders of KMG, the Committee shall select nominees for election to the Board.

- 4.5. **Recommendation of Committee Members.** The Committee shall annually recommend to the Board the membership of each Board committee (including this Committee) and a Chairperson for each committee. The Committee shall review the qualifications of the members of each committee to ensure that each committee has a membership that meets any applicable criteria of the rules and regulations of the SEC and NYSE. There is no policy limiting the length of service on any committee.
 - 4.6. **Continuing Education for Board Members.** The Committee shall establish and supervise a policy providing for members of the Board to participate regularly in appropriate continuing education on topics relevant to their responsibilities as a member of the Board.
5. **Board Matters.**
 - 5.1. **Director Orientation.** The Committee shall, in consultation with the Chief Executive Officer and appropriate members of management, periodically review and approve KMG's orientation program for new directors in accordance with KMG's Corporate Governance Principles.
 - 5.2. **Recruitment of Directors.** The Committee shall evaluate KMG's policies relating to the recruitment of directors, including compensation and director and officer's insurance, as well as indemnification protections provided in KMG's organizational documents, and make recommendations to the Board or any appropriate Board committee regarding such matters.
6. **Management Succession and Appointment of Officers.**
 - 6.1. **Succession Plan.** The Committee shall determine that a satisfactory system is in effect for education, development, and orderly succession of senior and mid-level managers throughout KMG. There should also be available, on a continuing basis, the CEO's ongoing recommendations as to his or her successor should he or she become unexpectedly incapacitated.
 - 6.2. **CEO Succession.** The Committee shall recommend to the Board a successor to the CEO when a vacancy occurs. The Committee shall coordinate with the Compensation Committee respecting the annual review of the CEO.
 - 6.3. **Appointment of Officers.** The Committee shall review the CEO's appointment of SEC reporting officers ("SEC reporting officers" are those officers that file Forms 3 and 4 with the SEC under Section 16 of the Exchange Act) and make recommendations to the Board with respect to such persons to be elected officers by the Board and review any proposed personnel changes involving such officers.
7. **Reports and Assessments.**
 - 7.1. **Board Reports.** The Chairperson of the Committee shall, periodically, at his or her discretion, report to the Board on Committee actions and on the fulfillment of the Committee's responsibilities under this Charter. In addition, the Committee shall coordinate with and report to other committees established by the Board where the responsibilities of the committees overlap or where the work of the committees would be facilitated.

- 7.2. **Evaluation of Committee Charters.** The Committee shall annually assess the adequacy of this Charter and advise the Board of its assessment and of its recommendation for any changes to the Charter. The Committee shall conduct an annual review of all other committee charters and recommend to the Board any changes it deems necessary. In connection therewith, the Committee shall review the recommendations of each Board Committee regarding the charter of its committee.
- 7.3. **Committee Self-Assessment.** The Committee shall annually make a self-assessment of its performance and shall report the results of such self-assessment to the Board and the Nominating and Corporate Governance Committee.
- 7.4. **Assessment of Board.** The Committee shall conduct an assessment of the performance of the Board, its members and committees. The Committee shall be responsible for establishing the evaluation criteria and implementing the process for such evaluation.
- 7.5. **Governance Guidelines.** The Committee shall develop and recommend to the Board corporate governance guidelines. The Committee shall conduct an annual review and assessment those guidelines and recommend to the Board any changes that it deems necessary.
- 7.6. **Code of Business Conduct.** The Committee shall conduct an annual review and assessment of KMG's Code of Business Conduct and recommend to the Board any changes to such Code that it deems necessary.
8. **Communications with Security Holders.** The Committee shall be responsible for establishing a process for security holders to send security holder communications to Board members, including whether security holder communications will be screened to determine the communications that will be relayed to Board members.
9. **Advisors.** The Committee shall have the authority to (i) retain, at KMG's expense, a search firm and other expert advisors ("Advisors") as it deems necessary to fulfill its responsibilities and (ii) determine, on behalf of KMG, the compensation of such Advisors.