

**SPAN-AMERICA MEDICAL SYSTEMS, INC.
NOMINATING AND GOVERNANCE COMMITTEE
OF THE BOARD OF DIRECTORS**

CHARTER

Adopted December 19, 2016

I. PURPOSE

The primary function of the Nominating and Governance Committee (the “*Committee*”) of **Span-America Medical Systems, Inc.** (the “*Company*”) is to assist the Board of Directors (the “*Board*”) in fulfilling its responsibilities with respect to Board and committee membership, shareholder proposals and sound and ethical corporate governance. The Committee’s primary duties and responsibilities are to:

- Establish criteria for Board and committee membership and identify and recommend to the Board proposed nominees for election to the Board;
- Recommend that the Board select director nominees for the annual meeting of shareholders;
- Make recommendations regarding proposals and nominees for director submitted by shareholders of the Company;
- Oversee the evaluation of, and make recommendations to improve the effectiveness of, the Board, Board Committees and individual members of the Board, and make recommendations to improve the Company’s management;
- Establish, implement, and monitor the Company’s policies, processes, and guidelines regarding ethics and corporate governance; and
- Determine whether and when any special committee of the Board should be formed to address one or more specific issues and recommend to the Board such formation and the mission, composition, scope of authority and responsibilities of any such special committee.

The Committee shall fulfill these responsibilities by carrying out the activities set forth in Section IV of this Charter.

II. COMPOSITION

The Committee shall be comprised of three or more directors as determined by the Board (after due consideration of the recommendation of the Nominating and Governance Committee), each of whom the Board has determined to be independent, as defined by Rule 5605(a)(2) of The NASDAQ Stock Market LLC Listing Rules. Each member of the Committee shall be free from

any relationship that, in the opinion of the Board, would interfere with the exercise of his or her independent judgment as a member of the Committee.

The members of the Committee shall be elected by the Board at its first meeting after each annual meeting of the Company's shareholders and shall serve until their successors shall be duly elected and qualified. Unless the Board elects a Chairperson, the members of the Committee may designate a Chairperson by a majority vote of the full Committee membership. Vacancies occurring for any reason in the membership of the Nominating and Governance Committee shall be filled by the Board of Directors.

III. MEETINGS

The Committee shall meet as frequently as circumstances dictate, but no less than three times annually. The Committee may request that any officer or employee of the Company attend a meeting of the Committee or meet with any members of, or consultants or advisors to, the Committee. At its sole discretion the Committee may meet separately with members of management or with outside advisors to discuss any matters that the Committee believes are appropriate. The Committee may also exclude from its meetings any persons it deems appropriate in order to carry out its responsibilities, and at least once each year the Committee shall meet in executive session.

IV. RESPONSIBILITIES AND DUTIES

To fulfill its responsibilities and duties the Committee shall, to the extent it deems necessary or appropriate:

Board Selection, Composition, and Evaluation

1. Establish criteria for Board membership, including standards for assessing independence, and without limitation; experience levels; career specialization; leadership qualities; strength of character; diversity; ethical standards; a willingness to act on and be accountable for Board decisions; an ability to provide wise, informed, and thoughtful counsel to top management; and the extent to which a candidate would fill a present need on the Board of Directors.
2. Determine and oversee the search process for candidates for Board membership, review shareholder recommendations for proposed nominees for election to the Board, identify candidates qualified to become Board members, evaluate candidates, and recommend nominees for election as members to the full Board of Directors (including both director nominees to be presented for shareholder approval at the annual meeting of shareholders and director nominees to be elected by the Board to fill vacancies).
3. Review and evaluate the performance of incumbent directors and make recommendations to the full Board regarding whether to nominate incumbent directors for reelection,

including managing the succession process for Board members who are nearing retirement age.

4. Consider questions of independence and possible conflicts of interest of candidates and members of the Board of Directors pursuant to NASDAQ listing standards and make recommendations to the full Board regarding such issues.
5. Review and make recommendations to the Board regarding proposals submitted by shareholders of the Company.
6. Develop and oversee the operation of an orientation program for new directors and determine whether and what form of continuing education is appropriate for incumbent directors.
7. Consider and recommend changes in the size and composition of the Board.
8. Review annually the Board's committee structure and recommend to the Board for its approval directors to serve on each Board committee.
9. Review and evaluate, at least annually, the performance of the Board as a whole and the performance of each of the Board's committees.
10. Review from time to time and, if appropriate, make changes to, the statements setting forth the responsibilities and qualifications for the Chairperson of the Board. When deemed necessary or appropriate, make recommendations to the Board regarding the appointment or replacement of the Chairperson of the Board.
11. Perform any other activity consistent with this Charter, the Company's Bylaws, and governing law as the Committee or the Board deems necessary or appropriate.

Company Governance

12. Develop (i) a code of conduct to promote ethical standards of conduct for the Company's directors, officers, and employees (the "***Code of Conduct***") and (ii) corporate governance standards for the Board and its committees (the "***Governance Guidelines***") and recommend the Code of Conduct and Governance Guidelines to the Board for approval.
13. Review management's monitoring of the Code of Conduct and monitor the Company's, management's and the Board's compliance with the Governance Guidelines.
14. Review and, as necessary, recommend to the Board for approval, any changes to the Code of Conduct or Governance Guidelines that the Committee considers necessary or appropriate.

15. Review and assess periodically the adequacy of the Company's Articles of Incorporation and Bylaws and recommend to the Board any necessary or desirable modifications to them.
16. Assist the Board and the Audit Committee in overseeing the Company's legal and regulatory compliance; provided that the Audit Committee shall have exclusive oversight over the Company's financial compliance and that the Committee's oversight responsibilities shall not conflict with any responsibility imposed on the Audit Committee by law, regulation, NASDAQ rule, or by charter.
17. Oversee the company's Environmental, Health, Safety Management and Compliance programs.
18. Review, resolve, and provide guidance to the Board and the Company's officers regarding any actual or potential conflicts of interests that a Board member or officer of the Company may have.
19. Encourage the Company's officers, employees, and outside counsel and advisors to report violations of the Company's Code of Conduct to the Committee and review and resolve any reported violations or non-compliance with the Company's Code of Conduct.
20. Together with the Compensation Committee, ensure that processes are in place for the independent directors of the Board to annually approve performance objectives, evaluation of performance and compensation changes for the Company's senior management.
21. Ensure that succession plans are in place for Board members and senior executives, review these plans periodically with the independent directors and make recommendations to the Board regarding the adequacy of such plans.
22. Determine and oversee the search process for the CEO, identify candidates qualified for the role, evaluate candidates, and recommend nominees for hire to the full Board of Directors.

Reports

23. Report regularly to the Board of Directors.
24. Review and reassess, at least annually, the adequacy of this Charter and recommend to the Board of Directors any improvements to this Charter that the Committee deems necessary or valuable.
25. Conduct at least annually an assessment of the Committee's own performance in fulfilling its duties and responsibilities under this Charter and assess the adequacy of the reporting and information provided to the Committee by the Company's management.

26. Maintain minutes or other records of meetings and activities of the Committee.

V. POWERS & AUTHORITY

1. In discharging its duties, the Committee is empowered to investigate any matter within the scope of its responsibilities.
2. The Committee shall have the authority, without seeking Board approval, to obtain such data, engage such professionals and advisors and use such other internal and external resources as it determines are necessary to fulfill its responsibilities and duties. Such authority shall include, without limitation, the authority to consult with the Company's management and corporate staff, incur administrative expenses, obtain external reports and other materials, meet with external auditors, outside counsel, and engage outside advisors, including independent counsel and/or search firms to assist in the identification of director candidates, as it determines necessary to carry out its duties. The Company shall require its employees, contractors and other advisors to cooperate and comply with the Committee's requests. The Committee shall have sole authority to approve fees and other terms of engagement for any advisors retained by the Committee. The Company must provide for appropriate funding, as determined by the Committee, for the payment of compensation to any advisors and search firms employed by the Committee pursuant to this paragraph, and ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.
3. Where legally permissible, the Committee shall have the authority to delegate such of its responsibilities as the Committee may deem necessary or appropriate in its sole discretion.