

GMI EXECUTIVE PAY SCORECARDSM

Data & analysis provided by GMI-The Independent Leader in Corporate Governance and ESG&A

6 Feb 2012

Insteel Industries, Inc.



IIIN NASDAQ

Construction - Supplies / Fixtures

Market Capitalization USD:

\$177.39 mm

CONCERN LEVEL: AVERAGE

- 1 The CEO's total remuneration is within the typical market range for the relevant industry and market cap.
- 2 The ratio between the CEO's pay and the median pay of the other named executive officers is 3X or less.
- 3 The CEO's annual cash incentives rose or fell in line with annual performance.
- 4 The CEO received no more than one annual cash bonus this fiscal year.
- 5 The CEO's equity remuneration reflected the company's share price movement over the last five years. 
- 6 The company only pays long-term incentives to the CEO for above median performance against a peer group.
- 7 The company's dilution from equity incentives is 10 percent or less.
- 8 Unvested equity lapses when the CEO's employment is terminated. 
- 9 The CEO's potential cash severance payment is capped at two times annual cash remuneration.
- 10 The accrued benefits of the CEO's post-retirement income are within the typical market range for the relevant market cap bracket.

CEO: Howard O. Woltz

Age: 55

CEO Since: 1991

	2009	2010	2011
Base Salary	\$438,269	\$430,000	\$435,423
Discretionary Bonus	\$0	\$0	\$0
Annual Cash Incentive	\$0	\$0	\$0
Benefits and Perquisites	\$43,935	\$23,700	\$26,122
TOTAL ANNUAL COMPENSATION	\$482,204	\$453,700	\$461,545
Increase in Post-Retirement Benefits	\$335,510	\$120,030	\$183,810
Stock Option Awards	\$300,003	\$300,003	\$299,999
Stock Awards	\$300,003	\$300,000	\$300,009
TOTAL COMPENSATION	\$1,384,538	\$1,173,733	\$1,245,363
Median of Other Named Executive Officers Total Compensation	\$532,421	\$488,767	\$511,875
Value Realized on Exercise of Stock Option	\$0	\$0	\$0
Value Realized on Vesting of Stock	\$87,254	\$146,906	\$255,591
TOTAL REALIZED EQUITY COMPENSATION	\$87,254	\$146,906	\$255,591

Proxy Date: 12 Jan 2012

Annual Meeting Date: 21 Feb 2012

Equity Reserves: 11.56%

Stock Option Run Rate: 1.03%

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Insteel Industries, Inc.

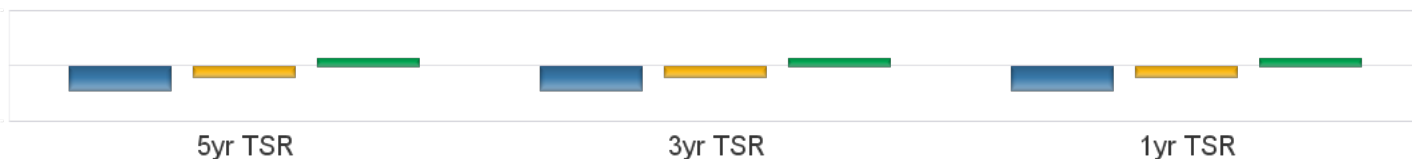
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Performance Comparison

■ vs S&P500 ■ vs Industry ■ IIIN



Peer Comparisons (TRBC) =Construction - Supplies / Fixtures

Total Summary CEO Compensation

Ticker	Company Name	2009	2010	2011	Market Cap
IIIN	Insteel Industries, Inc.	\$1,384,538	\$1,173,733	\$1,245,363	\$177,385,064
IBI	Interline Brands, Inc.	\$2,267,275	\$2,431,171		\$429,331,192
NX	Quanex Building Products Corporation	\$2,232,610	\$3,894,569	\$3,163,138	\$414,382,317
TREX	Trex Company, Inc.	\$2,277,380	\$2,200,622		\$249,827,149
ROCK	Gibraltar Industries, Inc.	\$4,451,559	\$1,686,583		\$246,982,020
APOG	Apogee Enterprises, Inc.	\$2,735,207	\$3,791,993		\$243,292,980
AMWD	American Woodmark Corporation	\$1,501,046	\$2,324,568		\$173,347,529

To insure consistency, peer comparisons are based on a combination of TRBC Industry and Sector classifications and company market caps. Missing peer pay figures for 2011 are due to differences in company filing schedules.

Pay Peer Group

Quanex Building Products Corporation, Gibraltar Industries, Inc., Headwaters Incorporated, Texas Industries, Inc., Simpson Manufacturing Co., Inc., Eagle Materials Inc., U.S. Concrete, Inc., Northwest Pipe Company, Keystone Consolidated Industries, Inc., Trex Company, Inc., Schuff International, Inc., PGT, Inc.

Performance Peer Group

Universal Stainless & Alloy Products, Inc., NN, Inc., LB Foster Company, Materion Corporation (f/k/a Brush Engineered Materials Inc.), NS Group, Inc., PW Eagle, Inc., Olympic Steel, Inc., Steel Technologies, Inc., Gibraltar Industries, Inc.

COMPENSATION COMMITTEE MEMBERS

Director	Membership	Age	Gender	Tenure	Independence
Charles B. Newsome	Chairman	74	Male	30	Outside
C. Richard Vaughn	Member	72	Male	21	Outside
Louis E. Hannen	Member	73	Male	17	Outside