

PERCEPTRON, INC.

CHARTER OF THE NOMINATING AND CORPORATE GOVERNANCE COMMITTEE OF THE BOARD OF DIRECTORS **(As Amended and Restated through November 12, 2007)**

I. PURPOSE

The primary purpose of the Nominating and Corporate Governance Committee (the "Nominating Committee") is to:

1. Identify and recommend to the Board of Directors (the "Board") nominees qualified to serve on the Board and Board committees.
2. Develop and recommend to the Board for its approval a set of Corporate Governance Principles applicable to the Company.
3. Oversee the evaluation of the Board.
4. Make recommendations regarding director nominees submitted by shareholders of the Company and develop procedures for Company and Board review and handling of shareholder proposals.

Whenever the Company is legally required by law, contract or otherwise to provide third parties with the ability to nominate directors, the selection and nomination of such directors shall not be subject to the provisions of this charter.

II. AUTHORITY

The Nominating Committee shall have such authority as is required to fulfill its responsibilities and duties set forth in this charter, including, but not limited to, the following:

1. Authority to engage, and determine funding for, search firms used to identify director candidates, independent counsel and other advisors, without Board approval, to advise or assist in the performance of its duties.
2. Authority to meet with and seek any information it requires from employees or external parties. Employees and external parties will be directed to cooperate and comply with the Nominating Committee's requests.

III. COMPOSITION

Appointment.

The members of the Nominating Committee shall be appointed annually by the Board of Directors at its annual meeting or as necessary to fill vacancies in the interim.

Membership.

The Nominating Committee shall consist of three or more members.

Qualifications.

The Nominating Committee members shall be required to meet the following minimum requirements:

1. Each member shall be an "independent director" as determined by applicable rules of the Nasdaq Stock Market ("Nasdaq").

Chairman of the Nominating Committee.

Unless a Chair is appointed by the Board of Directors, the members of the Nominating Committee may designate a Chair.

IV. MEETINGS

Number of Meetings.

The Nominating Committee shall meet as often as it determines is appropriate to carry out its responsibilities under this charter.

Executive Sessions.

The Nominating Committee shall meet in separate executive sessions to discuss any matters that the Nominating Committee believes should be discussed privately.

V. FUNDING

The Company shall provide appropriate funding to the Nominating Committee, as determined by the Nominating Committee, for payment of:

1. Any search firms, independent counsel or advisors employed by the Nominating Committee.
2. Ordinary administrative expenses of the Nominating Committee that are necessary or appropriate in carrying out its duties.

VI. DUTIES AND RESPONSIBILITIES

To fulfill its oversight responsibilities and duties, the Nominating Committee shall perform any activities consistent with this charter, the Company's Bylaws and governing law, as the Nominating Committee or the Board deems necessary or appropriate. Specifically, the Nominating Committee shall:

Board and Committee Nominees.

1. Develop and establish criteria, including minimum qualifications or specific qualities or skills, if any, which the Board shall approve, for Board and Board committee membership. Criteria may include judgment, skill, diversity (including factors such as race, gender or experience), integrity, experience with businesses and other organizations of comparable size, the interplay of the candidate's experience with the experience of other Board members, and the extent to which the candidate would be a desirable addition to the Board or any Board committee.
2. Oversee searches to identify qualified individuals to serve on the Board.
3. Develop and establish policies and procedures for considering Board candidates recommended by shareholders.
4. Recommend to the Board (i) the persons to be nominated for election to the Board at each annual meeting or as vacancies are otherwise required to be filled and (ii) the persons to serve on each Board committee. In making its recommendations, the Nominating Committee shall:
 - Review candidates' qualifications for membership on the Board or a committee of the Board based on criteria approved by the Board, under applicable law and the Board committee's charter;
 - Review the independence of candidates as required under any applicable law and Nasdaq rules;
 - Review any director candidates submitted by shareholders;
 - Consider any other factors that are set forth in the Company's corporate governance principles or are deemed appropriate by the Nominating Committee; and
 - Consider an incumbent Board or Board committee member's past performance.

Board Committees

5. Recommend to the Board the structure and functions of the Board committees.

Shareholder Communications

6. Develop a process for shareholders to send communications to the Board.
7. Develop procedures for Company and Board review and handling of shareholder proposals. The Nominating Committee will generally review and make recommendations to the Board regarding proposals of shareholders that relate to corporate governance.

Corporate Governance Matters.

8. Generally advise the Board on the corporate governance structure and conduct of the Board.
9. Develop and recommend to the Board corporate governance principles for the Company.
10. Periodically review and reassess the adequacy of corporate governance principles adopted by the Board and recommend any proposed changes to the Board.
11. Identify and bring to the attention of the Board current and emerging corporate governance trends and issues that may affect the business operations, performance or public image of the Company.

Evaluating the Board.

12. Oversee the Board's annual self-evaluation and report on such process and the results of the evaluations, including any recommendations for proposed changes to the Board.
13. Determine whether Board committees will conduct self-evaluations and oversee any such self-evaluations.
14. Periodically review the size and responsibilities of the Board and its committees and recommend any proposed changes to the Board.
15. Evaluate the independence of each director on an annual basis, and report such evaluation to the Board.

VII. REPORTING

The Nominating Committee shall have the following reporting responsibilities:

1. Maintain minutes of all Nominating Committee meetings and submit such minutes to the Board of Directors.
2. Report periodically to the Board of Directors, as it deems appropriate concerning the activities of the Nominating Committee.

VIII. ANNUAL REVIEW

The Nominating Committee shall conduct:

1. On an annual basis, a review and assessment of the adequacy of this charter, and
2. On a periodic basis as the Nominating Committee may determine, an evaluation of the Nominating Committee's performance in carrying out the duties and responsibilities under this charter.

Based on this annual review, the Nominating Committee shall recommend to the Board of Directors any changes in the authority, responsibilities or duties of the Nominating Committee.

The Company shall certify to Nasdaq that it has adopted this charter and that this charter properly addresses the nominations process as required under the federal securities laws.