

**GOVERNANCE AND NOMINATING COMMITTEE CHARTER**  
as amended January 25, 2007

The Board of Directors (the “**Board**”) of ICO, Inc. (the “**Company**”) has established the Governance and Nominating Committee of the Board (the “**Committee**”).

**1. Purposes**

The purposes of the Committee are:

- a. To assist the Board in developing, considering, reviewing and implementing corporate governance practices;
- b. To assist the Board by identifying individuals qualified to become Board members, consistent with criteria approved by the Board, and to select, or recommend that the Board select, the director nominees for election at the annual meetings of stockholders or for appointment to fill vacancies;
- c. To advise the Board about appropriate composition of the Board and its committees; and
- d. To perform such other functions as set out in this Charter or as the Board may assign to the Committee from time to time.

**2. Composition**

The Committee shall consist of at least three members, all of whom are members of the Board. One of the members shall serve as the chairperson of the Committee. Each member of the Committee shall satisfy the independence requirements of the rules of the Nasdaq National Market, Inc. applicable to domestic listed companies.

The Board shall appoint the members of the Committee. The chairperson of the Committee shall be designated by the Board or, if no such designation is made, shall be selected by the affirmative vote of the majority of the Committee. The Board may remove or replace the chairperson and any other member of the Committee at any time.

**3. Authority and Responsibilities**

The Committee is delegated all authority of the Board as may be required or advisable to fulfill the purposes of the Committee. The Committee may form and delegate some or all of its authority to a subcommittee or to a single member of the Committee when it deems appropriate. Without limiting the generality of the preceding statements, the Committee shall have authority, and is entrusted with the responsibility, to take the following actions.

- a. The Committee shall assist the Board, when necessary or appropriate, in developing, considering, reviewing and implementing corporate governance practices. The Committee shall review the Corporate Governance Guidelines at

least once a year, and whenever deemed necessary or appropriate, and shall recommend any proposed changes to the Board for review and approval.

- b. The Committee shall, when necessary or appropriate, actively seek individuals qualified to become Board members, consistent with criteria approved by the Board, for recommendation to the Board. In evaluating potential nominees, the Committee shall consider the candidate's independence qualifications, as well as the candidate's background, ability, judgment, skills and experience in the context of the needs of the Board.
- c. The Committee shall have the sole authority to retain, amend the engagement with, and terminate any search firm to be used to identify director candidates. The Committee shall have sole authority to approve the search firm's fees and other retention terms, and shall have authority to cause the Company to pay the fees and expenses of the search firm. The Committee shall also have authority to obtain advice and assistance from internal or external legal, accounting or other advisors, to approve the fees and expenses of such outside advisors, and to cause the Company to pay the fees and expenses of such outside advisors.
- d. The Committee shall determine whether or not each director and each prospective director of the Company is an independent director under the standards applicable to the committees on which such director is serving or may serve. The Committee may survey any or all of the directors and prospective directors to determine any matter or circumstance that would cause the person not to qualify as an independent director under applicable standards. The Committee shall report to the Board the existence of any such matter or circumstance.
- d. The Committee shall review the advisability or need for any changes in the number and composition of the Board, and make recommendations to the Board regarding these matters when necessary or appropriate.
- e. The Committee shall recommend to the Board the composition of each committee of the Board and the individual director to serve as the chairperson of each committee.

#### **4. Procedures**

- a. Meetings. The Committee shall meet at the call of its chairperson, two or more members of the Committee, or the Chairman of the Board. Meetings may, at the discretion of the Committee, include members of the Company's management, independent consultants, and such other persons as the Committee or its chairperson may determine. The Committee may meet in person, by telephone conference call, or in any other manner in which the Board is permitted to meet under law or the Company's Bylaws.
- b. Quorum and Approval. A majority of the members of the Committee shall constitute a quorum. The Committee shall act on the affirmative vote of a

majority of members present at a meeting at which a quorum is present. The Committee may also act by unanimous written consent in lieu of a meeting.

- c. Rules. The Committee may determine additional rules and procedures, including designation of a chairperson pro tempore in the absence of the chairperson, at any meeting thereof.
- d. Reports. The Committee shall make regular reports to the Board, directly or through the chairperson.
- e. Review of Charter. Each year the Committee shall review the need for changes in this Charter and recommend any proposed changes to the Board for approval.
- f. Fees. Each member of the Committee shall be paid the fee set by the Board for his or her services as a member of, or chairperson of, the Committee.