Fastenal Company
Stock Ownership Guidelines
(effective January 1, 2018)

Purpose
The Board of Directors of Fastenal Company (the “Company”) has adopted these stock ownership guidelines because it believes that it is in the best interest of the Company and its shareholders for non-employee directors and executive officers of the Company to have a significant equity interest in the Company in order to align their financial interests with those of the Company’s shareholders.

Applicability
These guidelines are applicable to all non-employee directors and all executive officers, subject to Section 16 of the Securities Exchange Act, of the Company (“Covered Individuals”).

Minimum Ownership Guidelines
Each Covered Individual is expected to own shares of the Company’s common stock with a value at least equal to the amount shown in the following schedule:

<table>
<thead>
<tr>
<th>Leadership Position</th>
<th>Value of Shares at 5 years</th>
<th>Value of Shares at 10 years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-employee Director</td>
<td>1.0x annual Board retainer</td>
<td>2.0x annual Board retainer</td>
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<tr>
<td>(excluding any Board committee retainer)</td>
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<td>(excluding any Board committee retainer)</td>
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<tr>
<td>CEO</td>
<td>1.0x annual base compensation</td>
<td>2.0x annual base compensation</td>
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<tr>
<td>President (if not also the CEO)</td>
<td>1.0x annual base compensation</td>
<td>2.0x annual base compensation</td>
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<tr>
<td>All Senior Sect. 16* Executive Officers</td>
<td>1.0x annual base compensation</td>
<td>1.5x annual base compensation</td>
</tr>
<tr>
<td>All other Sect 16 Executive Officers</td>
<td>1.0x annual base compensation</td>
<td>1.0x annual base compensation</td>
</tr>
</tbody>
</table>

*Defined as the CFO, Senior EVP or COO (if applicable)

Determining Share Ownership
Shares to be counted for purposes of the ownership guidelines will be fully-vested outstanding shares of which the Covered Individual is deemed to be the “beneficial owner” for purposes of Section 16 under the Securities Exchange Act, and include shares held in the name of immediate family members who live in the Covered Individuals household or in trust therefore, but not those held in the name of adult children not living with the Covered Individual. The following shares will not be counted toward satisfaction of these ownership guidelines: (i) shares subject to a compensatory equity-based award of any kind that has not yet vested; and (ii) shares subject to an option or stock appreciation right that has not yet been exercised.

Valuation Methodology
The value of the shareholdings of a Covered Individual is based on the greater of (i) the closing price of a share of the Company’s common stock as of the most recent fiscal year end, or (ii) the “acquisition value” of the shares. For these purposes, the “acquisition value” of a share is its purchase price if acquired in a market or other arms-length transaction, or its fair market value at the time (x) the receipt of the share was taxable to the Covered Individual, or (y) the share was received in a gift transaction.

Retention Requirement, and Compliance
Each Covered Individual is expected to acquire, within the time periods noted in the schedule, from either the effective date herein or the date originally elected to the Board or appointed as an executive officer (whichever is later), and continue to hold shares of the Company’s Common Stock having an aggregate market value as noted above. If base compensation (including Leadership Position changes) or retainer amounts are increased during these applicable time periods, a Covered Individual will be allowed the same time period stated in the schedule above to achieve the incremental equity expected under the schedule with respect to such increased base compensation or retainer amounts; however, the previous beneficial
ownership level amounts and time frames will remain in effect. Once the target beneficial ownership level is achieved by a Covered Individual, that director or executive officer will not be expected to acquire any additional shares in the event the stock price decreases, provided the underlying number of shares remain held by the director or executive officer. However, changes in the non-employee director’s retainer or a change in the executive officer’s base compensation will necessitate a new level of investment commitment.

**Administration**
Annually, the Compensation Committee of the Board shall be responsible for monitoring the application of these stock ownership guidelines. The Compensation Committee has the discretion to waive or extend the time for compliance with this policy, or to withhold or reduce future awards of equity-based compensation to any Covered Individual who fails to comply with the retention requirement described above.