

**SWS GROUP, INC.**  
**CORPORATE GOVERNANCE**  
**COMMITTEE CHARTER**

**I. Purpose**

The primary objectives of the Nominating/Corporate Governance Committee are to assist the Board by: (a) identifying individuals qualified to become Board members and recommending that the Board select a group of director nominees for each next annual meeting of the Company's shareholders; (b) ensuring that the Audit, Compensation and Nominating/Corporate Governance Committees of the Board shall have the benefit of qualified and experienced "independent" directors; and (c) developing and recommending to the Board a set of effective corporate governance policies and procedures applicable to the Company.

**II. Organization**

The Nominating/Corporate Governance Committee shall consist of three or more directors, each of whom shall satisfy the applicable independence requirements of the New York Stock Exchange and any other regulatory requirements.

Committee members shall be elected by the Board at the annual organizational meeting of the Board of Directors; members shall serve until their successors shall be duly elected and qualified or until their earlier resignation, removal or death. The Committee's chairperson shall be designated by the full Board or, if it does not do so, the Committee members shall elect a chairperson by vote of a majority of the full Committee.

The Committee may form and delegate authority to subcommittees when appropriate.

**III. Structure and Meetings**

The chairperson of the Nominating/Corporate Governance Committee will preside at each meeting and, in consultation with the other members of the Committee, will set the frequency and length of each meeting and the agenda of items to be addressed at each meeting. The chairperson of the Committee will ensure that the agenda for each meeting is circulated to each Committee member in advance of the meeting.

**IV. Goals and Responsibilities**

The Nominating/Corporate Governance Committee shall:

- (a) develop and recommend to the Board a set of corporate governance principles applicable to the Company, including policies on the size and composition of the Board, and review and reassess the adequacy of such guidelines annually and recommend to the Board any changes deemed appropriate;
- (b) review possible candidates for Board membership consistent with the Board's criteria for selecting new directors;

- (c) annually recommend a slate of nominees to the Board with respect to nominations for the Board at the annual meeting of the Company's shareholders;
- (d) recommend directors to be selected for membership on Board committees;
- (e) perform Board performance evaluations and oversee evaluation of management on an annual basis;
- (f) develop management succession plans;
- (g) review major organizational and staffing matters;
- (h) maintain an orientation program for new directors and a continuing education program for all directors;
- (i) provide periodic reports on the Committee's activities to the Board and circulate Committee minutes of meetings to all directors;
- (j) annually review and reassess the adequacy of this Charter and recommend any proposed changes to the Board for approval; and
- (k) generally advise the Board (as a whole) on corporate governance matters and perform any other activities consistent with this Charter, the Company's Bylaws and governing law as the Committee or the Board deems appropriate.

#### **V. Performance Evaluation**

The Nominating/Corporate Governance Committee shall conduct an annual performance evaluation.

#### **VI. Committee Resources**

The Nominating/Corporate Governance Committee shall have the authority to obtain advice and seek assistance from internal or external legal, accounting or other advisors. The Committee shall have the sole authority to retain and terminate any search firm to be used to identify director candidates, including sole authority to approve such search firm's fees and other retention terms.

#### **VII. Disclosure of Charter**

This Charter will be made available on the Company's website at [www.swst.com](http://www.swst.com).

Adopted May 22, 2003