

**HOMESTORE, INC.**  
**CHARTER OF THE GOVERNANCE AND NOMINATING COMMITTEE**  
**OF THE BOARD OF DIRECTORS**

**I. Purpose**

The purpose of the Governance and Nominating Committee (“Committee”) of the Board of Directors (the “Board”) of Homestore, Inc. (the “Company”) is to assist the Board in fulfilling its responsibilities under the NASDAQ listing standards and Delaware and other applicable law. As such, the Committee shall have the following primary responsibilities: (a) to identify and make recommendations to the Board on individuals qualified to serve as Board members of the Company; (b) to review and re-evaluate the Company’s Corporate Governance Guidelines at least twice per year in a process supervised by the Board’s Lead Independent Director (as defined in the Corporate Governance Guidelines); (c) to review and recommend the re-nomination of incumbent directors; (d) to review and recommend appointments to other committees; (e) to lead the Board in its annual review of the Board’s performance; and (f) to perform such other tasks, such as studying the size, committee structure, and meeting frequency of the Board, within the scope of this Charter of the Governance and Nominating Committee of the Board of Directors (the “Charter”) and consistent with the Certificate of Incorporation and Bylaws of the Company, as the Committee deems necessary or appropriate. The Committee will fulfill these functions primarily by carrying out the activities enumerated in Part IV of this Charter.

**II. Membership**

All members of the Committee will be appointed by the Board based on the recommendation of the Company’s Governance and Nominating Committee. Further, all Committee members shall be members of, and serve at the discretion of, the Board. Unless a Chairperson is appointed by the full Board, the members of the Committee may designate a Chairperson by majority vote of the Committee membership. The Board may at any time remove one or more directors as members of the Committee and may fill any vacancy on the Committee.

The Committee shall consist of no fewer than two members, with the exact number being determined by the Board. No member of the Committee shall be an officer, employee, or consultant of the Company or any subsidiary or have any other relationship that, in the opinion of the Board, would interfere with the exercise of independent judgment in carrying out the responsibilities of a Committee member. Each member of the Committee shall be “independent” as defined by applicable law, SEC rules and regulations, and the rules of the NASD, each as they may be interpreted and amended from time to time, and all other legal requirements applicable to the Company (“Applicable Law, Rules and Regulations”), and as determined by the Board’s independence review process.

**III. Meetings**

The Committee will meet with such frequency, and at such times as its Chairperson, or a majority of the Committee, determines or as frequently as required by NASDAQ, the Securities and Exchange Commission, or Applicable Law, Rules and Regulations. The Committee may establish rules and procedures for the conduct of their meetings that are consistent with this Charter. A majority of the members of the Committee shall constitute a quorum. When a quorum is present at any meeting, a majority of the Committee members present may take any action or make any recommendation to the Board, except where otherwise required by Applicable Law, Rules and Regulations. Written minutes should be kept of all meetings of the Committee. The Committee shall report its activities to the Board at the Board’s next scheduled meeting or as otherwise appropriate.

**IV. Responsibilities and Duties**

The following shall be the principal recurring processes of the Committee in carrying out its responsibilities. These processes are set forth as a guide, with the understanding that the Committee may supplement them as appropriate and may establish policies and procedures from time to time that it deems necessary or advisable in fulfilling its

responsibilities. To these ends, the Committee shall have and may exercise all of the powers and authority of the Board to the extent permitted under the Delaware General Corporation Law.

1. The Committee shall maintain a process for director nominations, which process shall be set forth in the Company's Corporate Governance Guidelines. The director nomination process shall include objective and independently verifiable criteria for the nomination of new directors to the Board, and shall subject directors for re-nomination to the Board to the same process and criteria. There is no requirement that the Committee consult with the CEO regarding the nomination and selection of new Board members. The CEO will have no influence over the Committee in the nomination and selection process; however (1) the CEO may meet with a potential director, and (2) if the CEO has prior knowledge of a candidate, the CEO may provide information to the Committee in writing.
2. When vacancies occur or otherwise at the direction of the Board, the Committee shall actively seek individuals whom the Committee determines meet such criteria and standards for recommendation to the Board.
3. The Committee shall maintain a process for shareholder communications with Board members, which process shall be set forth in the Company's Corporate Governance Guidelines.
4. The Committee shall provide an annual performance evaluation of the Committee.
5. The Committee shall at least twice per year review and re-evaluate the Company's Corporate Governance Guidelines in a process supervised by the Board's Lead Independent Director and make regular reports to the Board. Such review shall assure that all corporate governance reforms adopted pursuant to the Stipulation and Agreement of Settlement between the Company and the California State Teachers' Retirement System are actually and effectively implemented.
6. The Committee shall review and make recommendations regarding committee member qualifications, appointment and removal and committee structure and operations.
7. The Committee shall lead the Board in its annual performance evaluation, including soliciting comments from all directors and shall make recommendations for improvements of the Board's operations.
8. The Committee shall lead the Board in its annual review of the skills and characteristics of individual Board members.
9. The Committee shall review and reassess the adequacy of this Charter at least annually and recommend any proposed changes to the Board for approval.
10. From time to time, in the Committee's sole discretion, retain and terminate, at the Company's expense, outside counsel, experts, and other advisors as the Committee deems necessary or appropriate to carry out its duties, including the express authority to retain a search firm to assist in the identification of director candidates. The Committee shall have sole authority to approve the fees and retention terms of such counsel, experts, advisors, and consultants.

In addition to the indemnification, exculpation and similar rights and provisions contained in the Company's Certificate of Incorporation and Bylaws or in statutory and common law and in addition to applicable insurance, the Committee, and each member of the Committee in his or her capacity as such, shall be entitled to rely, in good faith, on information, opinions, reports or statements, or other information prepared or presented to them by (i) officers and other employees of the Company, whom such member believes to be reliable and competent in the matters presented; and (ii) counsel public accountants or other persons as to matters which the members believes to be within the professional competence of such person.