

**DSW INC.**

**CHARTER OF THE  
NOMINATING AND CORPORATE GOVERNANCE COMMITTEE  
OF THE BOARD OF DIRECTORS**

Adopted by Resolution of the Board of Directors  
June 29, 2005  
Amended June 14, 2006

This Charter of the Nominating and Corporate Governance Committee of the Board of Directors (the “Charter”) has been adopted by the Board of Directors (the “Board”) of DSW Inc. (the “Company”) in order to set forth the purpose and responsibilities of the Nominating and Corporate Governance Committee (the “Committee”) of the Board.

**I. Purpose**

The purpose of the Nominating and Corporate Governance Committee (the “Committee”) of the Company is to provide oversight on the broad range of issues surrounding the composition and operation of Board of the Company, including identifying individuals qualified to become Board members, recommending to the Board director nominees for the next annual meeting of shareholders and developing and recommending to the Board a set of corporate governance principles applicable to the Company.

The Committee also has responsibility for making recommendations to the Board and the Chairman of the Board in the areas of committee selection, including committee chairs, rotation practices, evaluation of the overall effectiveness of the Board and management, and review and consideration of developments in corporate governance practices.

The Committee has the authority to undertake the specific duties and responsibilities set forth below and will have the authority to undertake such other duties and responsibilities as the Board may from time to time prescribe.

**II. Composition**

The Committee shall consist of at least three members of the Board, each of whom shall (1) be an “independent director” as that term is defined in the corporate governance rules of the New York Stock Exchange, Inc. (“NYSE”) and (2) satisfy any other standards of independence that may from time to time be in effect and applicable to the Committee.

The members of the Committee shall be appointed by the Board based primarily upon experience, education and skills necessary to contribute to the Committee. To the extent deemed appropriate by the Committee, the Committee may recommend successor members of the Committee to the Board. The members of the Committee shall serve at the discretion of the Board. The Board may fill any vacancies on the Committee and may remove a Committee

member at any time, with or without cause. The Board shall designate a Chairperson. The Committee may designate its own Secretary, who may be a non-Committee member.

### **III. Specific Duties and Responsibilities**

In furtherance of its purpose, the Committee shall have the following specific duties and responsibilities:

1. Establishing and articulating qualifications, desired background and selection criteria for members of the Board. The Committee may consider any factors it deems appropriate, including: independence; judgment; skill; diversity; strength of character; age; experience with businesses and organizations of comparable size or scope; experience as an executive of, or adviser to, a publicly traded or private company; experience and skill relative to other Board members; specialized knowledge or experience; service on other boards and desirability of the candidate's membership on the Board and any committees of the Board.
2. Developing a policy with regard to the consideration of candidates for election or appointment to the Board recommended by shareholders of the Company and procedures to be followed by shareholders in submitting such recommendations, consistent with any shareholder nomination requirements set forth in the Company's Code of Regulations and applicable laws, rules and regulations.
3. Making recommendations to the full Board concerning all nominees for Board membership, including the re-election of existing Board members and the filling of any vacancies. As part of this responsibility, evaluating each incumbent director's independence, qualifications, performance and ability to continue to contribute productively before recommending the nomination of that director for an additional term.
4. Evaluating and making recommendations to the full Board concerning the number and responsibilities of Board committees and committee assignments, including recommending committee chairs.
5. Annually soliciting input from the full Board and conducting an annual review of the effectiveness of the operation of the Board and Board committees, including a review of governance and operating practices and the development, recommendation and periodic review of corporate governance guidelines for operation of the Board.
6. Developing, recommending and periodically reviewing a set of corporate governance principles applicable to the Company in accordance with applicable laws, rules and regulations, including, without limitation, the NYSE corporate governance rules and other applicable provisions of NYSE's Listed Company Manual.

7. Considering matters relating to the retirement of Board members, including consideration of a recommended retirement age.
8. Developing a continuing education program for directors and an orientation program for new directors that meets applicable NYSE requirements, reviewing such programs on a periodic basis and recommending action to the Board, individual directors and management, where appropriate.
9. Reviewing and reassessing the adequacy of this Charter and the charters of other committees of the Board.
10. Conducting an annual self assessment of Nominating and Corporate Governance Committee performance.
11. Approving service by directors on any additional for-profit boards or public company audit committees and approving service by executive officers on any boards, including non-profit boards.
12. Grant waivers of the Company's Code of Business Conduct, other than waivers of provisions relating to accounting, internal accounting controls or auditing matters which may be granted only by the Audit Committee.
13. Oversee the implementation by management of standards and procedures for detecting and deterring unethical conduct and promoting an organizational culture that encourages a commitment to compliance with the law and periodically review the efficacy of such standards and procedures.

The foregoing duties and responsibilities shall be common, recurring activities of the Committee in carrying out its purpose. The Committee may carry out additional functions and adopt additional policies and procedures as may be appropriate in light of changing business, legislative, regulatory, legal or other conditions or required by the Company's corporate governance principles. The Committee shall also carry out any other duties and responsibilities delegated to it by the Board from time to time that are related to the purpose of the Committee.

#### **IV. Meetings**

Although no minimum number of meetings is required, the Committee will meet as frequently as circumstances dictate at the times and locations determined by the Committee Chairman or a majority of the Committee. The Committee Chairman or any other member of the Committee may call a meeting of the Committee. The Committee Chairman shall prepare and/or approve an agenda in advance of each meeting. A majority of the Committee members shall constitute a quorum for the transaction of business. The Committee may act by a majority of its members present at a meeting at which a quorum is present. To the extent permitted by the Company's Amended Articles and Code of Regulations, the Committee may also take action by unanimous written consent.

The Committee, in its sole discretion, may invite members of management and others to attend meetings for any purpose, including the provision of pertinent information or the implementation of the Committee's recommendations or decisions.

The Committee shall prepare minutes of its meetings, which minutes shall be filed with the minutes of the meetings of the Board. At each regularly scheduled meeting of the Board, the Chairman of the Committee or his designee shall provide the Board with a report of the Committee's activities and proceedings since the previous Board meeting.

## **V. Committee Resources**

Subject to applicable laws, rules and regulations, the Committee shall have the authority to designate, and delegate any of its duties and responsibilities to, such sub-committees as the Committee in its sole discretion deems appropriate.

The Committee shall have adequate Company resources and authority to discharge its duties and responsibilities, including the authority to select, retain, terminate and approve the fees and other retention terms of any search firm to be used to identify director candidates, outside counsel, whether the Company's general outside counsel or special counsel, and such other experts or consultants as it deems appropriate, without seeking additional approval of the Board or management. With respect to consultants or search firms used to identify director candidates, this authority shall be vested solely in the Committee.

## **VI. General**

In performing their responsibilities, Committee members are entitled to rely in good faith on information, opinions, reports or statements prepared or presented by:

- One or more officers or employees of the Company whom the Committee members reasonably believe to be reliable and competent in the matters prepared or presented;
- Counsel, consultants or other persons as to matters which the Committee members reasonably believe to be within the professional or expert competence of such persons; and
- Another committee of the Board, upon which the Committee member does not serve, as to matters within such other committee's designated authority, which committee the Committee member reasonably believes to merit confidence.