

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

(as adopted February 3, 2004)

Status

The Nominating and Corporate Governance Committee (the "Committee") is a committee of the Board of Directors of DPL Inc. (the "Company").

Organization

The Committee shall consist of at least three directors, all of whom, in the judgment of the Board of Directors, shall be independent in accordance with the New York Stock Exchange listing standards. Committee members shall be appointed by the Board of Directors and, to the extent practicable, the members should include the Chairmen of each standing committee. Committee members shall hold their offices for one year and until their successors are elected and qualified, or until their earlier resignation or removal. All vacancies in the Committee shall be filled by the Board on the recommendation of the remaining members of the Committee. The Board shall designate one of the members as Chairman of the Committee, and the Committee shall keep a separate book of minutes of their proceedings and actions.

The Committee shall meet periodically, as deemed necessary by the Chairman of the Committee, but in no event less than three times a year. A representative from the Company shall give notice, personally or by mail, telephone, facsimile or electronically, to each member of the Committee of all meetings not later than 12 noon on the day before the meeting, unless all of the members of the Committee in office waive notice thereof in writing at or before the meeting, in which case the meeting may be held without the aforesaid advance notice. A majority of the members of the Committee shall constitute a quorum for the transaction of business.

The Committee may form one or more subcommittees, each of which may take such actions as may be specified by the Committee, provided, however, that any such subcommittee is composed entirely of independent directors as defined under the listing standards of the New York Stock Exchange. The Committee shall periodically report on its activities to the Board and make such recommendations and findings as it deems appropriate. The Committee shall annually review and reassess the adequacy of this Charter, which shall be made available on the Company's website, and recommend any proposed changes to the Board for approval. The Committee shall perform an annual self-evaluation in accordance with the listing standards of the New York Stock Exchange.

Purpose

The Committee's primary duties and responsibilities shall be to:

- recommend to the Board criteria including, but not limited to, experience, diversity, skill set and the ability to act on behalf of stockholders for selecting new directors, identify individuals qualified to become Board members based on these criteria and recommend to the Board such individuals as nominees to the Board for its approval;

- coordinate with management major changes in staffing throughout the organization and strategies to achieve employee diversity;
- oversee evaluations of the Board, individual Board members and the Board Committees;
- develop corporate governance principles and the Company's Code of Business Conduct and Ethics;
- subject to the limitations set forth below, exercise all the powers of the Board of Directors during intervals between Board meetings in such a manner as it shall deem in the best interests of the Company and its stockholders; and
- perform such other similar duties and responsibilities consistent with this Charter, the Company's by-laws and governing law which may be referred to the Committee from time to time by the Board of Directors.

Duties and Authority

To fulfill its responsibilities and duties, the Committee shall:

Board of Directors

1. Screen and recommend to the Board nominees for election as directors of the Company, including nominees recommended by stockholders of the Company, and consider the performance of incumbent directors in determining whether to nominate them to stand for reelection at the next annual meeting of the stockholders.
2. Recommend to the Board nominees to fill director vacancies occurring between annual meetings of the stockholders.
3. Review and recommend, in consultation with the Compensation Committee of the Board, the compensation and benefit program for directors in accordance with the general principles set forth in the Company's Corporate Governance Guidelines.
4. Establish and articulate qualifications, desired background and selection criteria for members of the Board of Directors in accordance with applicable law and listing standards of the New York Stock Exchange. The Corporate Governance Guidelines adopted by the Board of Directors set forth the current qualifications, background and other criteria for membership on the Board of Directors.
5. Oversee the evaluation of the Board and its committees, which may include establishing procedures for, and administering, annual performance evaluations of the Board, individual Board members and its committees.
6. Consider questions of possible conflicts of interest of Board members and of the Company's senior executives.
7. Make recommendations on the structure of Board meetings and recommend matters for consideration by the Board.

Board Committees

1. Recommend members of the Board to serve on the committees of the Board, and where appropriate, make recommendations regarding the removal of any member of any committee.
2. Periodically review the Charter, composition and overall performance of each Board committee and make recommendations to the Board for the creation of additional committees, the elimination of a committee or other adjustment to a Board committee's Charter or composition as deemed necessary, including the periodic rotation of directors among the committees.

Senior Executives

1. Review at least annually succession plans of the Chief Executive Officer, President and other senior executive officers of the Company.
2. Oversee the evaluation of the Company's management.

Corporate Guidelines and Governance

1. Develop and recommend to the Board a set of corporate governance guidelines applicable to the Company. Monitor compliance with the guidelines and make recommendations to the Board for modifications as appropriate.
2. Develop and recommend to the Board a Code of Business Conduct and Ethics for directors, officers and employees, and based on a periodic review, make recommendations for changes as deemed appropriate.
3. Review reports from the Company's Governance Counsel regarding exceptions and/or allowances that are discovered or requested with respect to the Code of Business Conduct and Ethics and review the actions taken or proposed to be taken by management in such matters.
4. Ensure that the Board is operating in accordance with the Company's Articles of Incorporation and Regulations. Periodically review the adequacy of the Company's Articles of Incorporation and Regulations, and if necessary, propose amendments to the Certificate of Incorporation and Regulations.
5. Periodically review developments in corporate governance practice and make recommendations to the full Board regarding directors' orientation, compensation and continuing education.

Actions Between Board Meetings

1. Exercise all of the powers of the Board of Directors in the management and direction of the business affairs of the Company during intervals between Board meetings, except that the Committee shall not exercise duties delegated to any other committee of the Board and shall not authorize dividends, authorize the issuance of stock unless the Board has already given general authorization for such issuance, recommend to stockholders any action requiring stockholder approval, amend the by-laws or approve mergers or share exchanges that do not require stockholder approval.

Committee Resources

1. Have sole authority to retain and terminate search firms to identify director candidates, including the sole authority to approve fees and other retention terms. All such fees shall be reimbursed by the Company.
2. Have the authority to obtain advice and seek assistance from internal or external legal or other advisors in order to fulfill its duties under this Charter; any fees incurred pursuant thereto shall be paid for by the Company.