

E*TRADE Group, Inc.
A Delaware corporation
(the “Company”)

Nominating and Corporate Governance Committee Charter

This charter was adopted by the Board of Directors of the Company on April 23, 2003.

Purpose

The Nominating and Corporate Governance Committee (the “Committee”) is created by the Board of Directors of the Company to:

- identify individuals qualified to become Board members; recommend to the Board director nominees for the next annual or special meeting of shareholders at which directors are to be elected; and to recommend individuals to the Board to fill any vacancies or newly created directorships that may occur between such meetings;
- identify and recommend directors for membership on Board committees;
- evaluate Board performance;
- oversee and set compensation for the Company’s directors;
- develop, recommend and oversee compliance with the Corporate Governance Guidelines and Code of Professional Conduct of the Company;
- review the Company’s management succession planning; and
- review the Company’s reporting in documents filed with the Securities and Exchange Commission, to the extent related to corporate governance and other matters set forth in this charter.

Membership

The Committee shall consist of at least three members, each of whom is “independent” according to the standards of the New York Stock Exchange and the Company (to the extent the Company maintains requirements that are more stringent). The independent members of the Board shall recommend nominees for appointment to the Committee annually and as vacancies or newly created positions occur. Committee members shall be appointed by the Board and may be replaced by the Board at any time. The Board shall designate the Chair of the Committee.

Authority and Responsibilities

In addition to any other responsibilities which may be assigned from time to time by the Board, the Committee is authorized to undertake, and has responsibility for, the following matters.

Board/Committee Nominees

- The Committee shall conduct searches for qualified individuals for membership on the Company's Board of Directors.
- At least annually and as vacancies or newly created positions occur, the Committee shall recommend individuals for membership on the Company's Board of Directors and directors for appointment to the committees of the Board. In making its recommendations, the Committee must (i) review and recommend criteria for Board and committee membership; (ii) review candidates' qualifications for membership on the Board or a committee of the Board (including a determination as to the independence of the candidate) and any potential conflicts with the Company's interests; (iii) assess the contributions of current directors in connection with their nomination to additional terms on the Board or participation on any committee; (iv) periodically review the composition of the Board and its committees to determine whether it may be appropriate to add individuals with different backgrounds or skills from those already on the Board or any such committee and (v) consider rotation of committee members and committee chairs.

Evaluating the Board, its Committees and Management

- At least annually, the Committee shall review and assess the performance of the Board and its committees and report such assessment, including any recommendations for proposed changes, to the Board.

Management Succession

- The Committee shall, in consultation with the CEO, periodically review the Company's management succession planning including policies for CEO selection and succession in the event of the incapacitation, retirement or removal of the CEO, and evaluations of, and development plans for, any describing potential successors to the CEO.

Director Compensation

- Periodically, the Committee shall review compensation (including stock option grants and other equity-based compensation) for the Company's directors. In so reviewing and approving director compensation, the Committee shall:

- identify corporate goals and objectives relevant to director compensation (including efforts by the Company to retain such directors and the cost to the Company of the particular directors' compensation);
- evaluate the performance of the Board in light of such goals and objectives and set director compensation based on such evaluation and such other factors as the Committee deems appropriate and in the best interests of the Company; and
- review and recommend any long-term incentive component of director compensation based on the awards given to directors in past years, the Company's performance, shareholder return and the value of similar incentive awards relative to such targets at comparable companies and such other factors as the Committee deems appropriate and in the best interests of the Company.
- The Committee shall present its proposals with respect to director compensation to the full Board for its approval.

Corporate Governance Matters

- The Committee shall assist the Board to ensure that all appropriate corporate formalities are followed in the actions undertaken by the Board.
- The Committee shall develop and recommend to the Board the Corporate Governance Guidelines and, working with senior management of the Company, Code of Professional Conduct for the Company. At least annually, the Committee shall review and reassess the adequacy of such Corporate Governance Guidelines and Code of Professional Conduct and recommend any proposed changes to the Board.
- The Committee shall oversee compliance with the Company's Corporate Governance Guidelines and Code of Professional Conduct and report on such compliance to the Board. The Committee shall also review and approve any waivers of the Company's Corporate Governance Guidelines or Code of Professional Conduct for the Company's directors, executive officers and senior financial officers.
- The Committee shall identify potential conflicts of interest involving directors and shall determine whether such director or directors may vote on any such issue.
- The Committee shall assist the Board to ensure that any transaction with a related party is thoroughly reviewed on a regular basis so that such transaction is, and remains, on the terms that are at arms' length and calculated to promote long term shareholder value.

- The Committee shall assist the Board to ensure that all of its material contractual and other business relationships are connected at arm's length and calculated to promote long term shareholder value.
- At least annually, the Committee shall review the number, size and responsibilities of the Board and its committees and recommend any actions in this regard to the Board.

Director Orientation and Continuing Education

- The Committee shall develop and oversee an orientation and continuing education program for directors.

Disclosure

- The Committee shall review the Company's reporting in documents filed with the Securities and Exchange Commission, to the extent related to corporate governance and the other matters set forth in this charter.

Reporting to the Board

- The Committee shall report to the Board at least quarterly. This report shall include a review of any recommendations or issues that arise with respect to Board or committee nominees or membership, Board or management performance, corporate governance or any other matters that the Committee deems appropriate or is requested to be included by the Board.
- At least annually, the Committee shall review and assess the adequacy of this charter and recommend any proposed changes to the Board for approval.
- At least annually, the Committee shall evaluate its own performance and report to the Board on such evaluation.

Procedures

The Committee shall meet as often as it determines is appropriate to carry out its responsibilities under this charter. Special meetings of the Committee may be held from time to time pursuant to the call of the Chair of the Committee. The Chair of the Committee, in consultation with the other Committee members, shall determine the frequency and length of the Committee meetings, shall set meeting agendas consistent with this charter and shall, when present, preside at all meetings of the Committee. In lieu of a meeting, the Committee may also act by unanimous written consent resolution. The Committee shall designate a person (who need not be a member of the Committee) to keep minutes of its meetings. The minutes shall be retained by the Corporate Secretary of the Company.

The Committee has the sole authority to retain and terminate any search firm to assist in the evaluation of director compensation or to assist in identifying director candidates, including sole authority to approve all such search firm's fees and other retention terms.

The Committee may, to the fullest extent permitted by applicable law or regulation, form and delegate its authority to subcommittees of the Committee when it deems appropriate and in the best interests of the Company.