

NOMINATING AND CORPORATE GOVERNANCE COMMITTEE

CHARTER

A. **Purpose**

The purpose of the Nominating and Corporate Governance Committee (the “Nominating Committee”) of the Board of Directors (the “Board”) of optionsXpress Holdings, Inc. (the “Corporation”) is:

1. To identify individuals qualified to become Board members, consistent with criteria approved by the Board;
2. To oversee the organization of the Board and its various committees so as to assist the Board in discharging its duties and responsibilities properly and effectively;
3. To ensure that proper attention is given, and effective responses are made, to stockholder concerns regarding corporate governance; and
4. To perform such other duties and responsibilities as are enumerated in and consistent with this Charter or are specifically delegated to the Nominating Committee by the Board from time to time.

B. **Membership and Procedures**

1. The Nominating Committee shall consist of no fewer than three directors.
2. The entire Nominating Committee or any individual Nominating Committee member may be removed from office with or without cause by the affirmative vote of a majority of the Board. Any Nominating Committee member may resign upon giving oral or written notice to the Chairman of the Board, which resignation shall be effective at the time such notice is given (unless the notice specifies a later time for the effectiveness of such resignation). If the resignation of a Nominating Committee member is effective at a future time, the Board may elect a successor to take office when the resignation becomes effective.
3. A chairperson of the Nominating Committee (the “Chairperson”) may be designated by the Board. In the absence of such designation, the members of the Nominating Committee may designate the Chairperson by majority vote of the full Nominating Committee membership. The Chairperson shall determine the agenda, the frequency and the length of meetings and shall have unlimited access to management and information. Such Chairperson shall establish such other rules as may from time to time be necessary and proper for the conduct of the business of the Nominating Committee. The Chairperson shall preside over any executive sessions of independent directors.
4. The Nominating Committee may appoint a Secretary whose duties and responsibilities shall be to keep full and complete records of the proceedings of

the Nominating Committee for the purposes of reporting Nominating Committee activities to the Board and to perform all other duties as may from time to time be assigned to him or her by the Nominating Committee, or otherwise at the direction of a Nominating Committee member. The Secretary need not be a director.

5. Each Nominating Committee member shall be “independent” within the meaning of the applicable listing rules of NASDAQ; provided, however, that one person, who is not “independent” and is not a current officer or employee or a family member of an officer or employee, may be appointed to the Nominating Committee if the Board, under exceptional and limited circumstances, determines that such individual’s membership on the Nominating Committee is required by the best interests of the Corporation and its stockholders, and the Board discloses, in the next annual proxy statement subsequent to such determination, the nature of the relationship and the reason for the determination. A member appointed under this exception may not serve longer than two years.
6. In the course of its duties, the Nominating Committee shall have sole authority, at the Corporation’s expense, to engage and terminate consultants or search firms in order to identify director candidates, including the sole authority to approve the consultant or search firm’s fees and other retention terms.
7. In the course of its duties, the Nominating Committee shall have the authority, at the Corporation’s expense, to retain outside counsel, accountants, outside advisors, consultants or others to assist in the conduct of an investigation or as it deems appropriate to advise or assist in the performance of its functions.

C. Meeting and Procedures

The Nominating Committee shall convene at least two times each year. A majority of the Nominating Committee members shall be present to constitute a quorum for the transaction of the Nominating Committee’s business. The Nominating Committee shall report regularly to the full Board with respect to its activities. The Nominating Committee may meet by teleconference or video-conference by means of which all persons participating in the meeting can hear one another and may take action by written consent.

D. Roles and Responsibilities

The following shall be the common recurring duties and responsibilities of the Nominating Committee in carrying out its oversight functions. These duties and responsibilities are set forth below as a guide to the Nominating Committee with the understanding that the Nominating Committee may alter or supplement them as appropriate under the circumstances to the extent permitted by applicable law or NASDAQ listing rules.

1. Board of Directors and Board Committee Composition:

- (a) Annually, the Nominating Committee shall assess and make recommendations regarding the size and composition of the Board in light of the operating requirements of the Corporation.
 - (b) The Nominating Committee shall develop membership qualifications for the Board and all Board committees.
 - (c) The Nominating Committee shall monitor compliance with Board and Board committee membership criteria.
 - (d) Annually, and more frequently in the event of appointment of directors to fill vacancies between annual meetings of the Corporation's stockholders, the Nominating Committee shall review and select, or recommend to the Board for selection, directors for service as required based on current and future needs of the Corporation.
 - (e) The Nominating Committee shall coordinate and assist management and the Board in recruiting new members to the Board.
 - (f) The Nominating Committee shall (i) on an annual basis inform stockholders in the Corporation's proxy statement of the process to be utilized by the Corporation for receipt of stockholder recommendations with respect to prospective candidates for directors; (ii) investigate suggestions for candidates for membership on the Board; and (iii) recommend directors, as required, to provide an appropriate balance of knowledge, experience and capability on the Board.
2. The Nominating Committee shall identify best practices and develop and recommend corporate governance principles applicable to the Corporation.
 3. The Nominating Committee shall monitor the Corporation's performance in meeting its obligation of fairness in internal and external matters and its principles of corporate governance.
 4. The Nominating Committee shall recommend Board committee structure and assignments.
 5. The Nominating Committee shall review and approve any employee director standing for election to the board of directors of another for-profit entity.
 6. The Nominating Committee shall review governance-related stockholder proposals and recommend Board responses.
 7. The Nominating Committee shall review periodically with the Corporation's Chief Executive Officer and the full Board the succession plans and retirement procedures relating to positions held by senior executives and board members.

8. The Nominating Committee shall review and assess the adequacy of this Charter on an annual basis and recommend any proposed changes to the Board.
9. The Nominating Committee shall undertake an annual evaluation assessing its performance with respect to its purposes and duties as set forth in this Charter, which evaluation shall be reported to the Board.
10. The Nominating Committee shall lead the Board in an annual self-evaluation process, including the self-evaluation of each Board committee, and report its conclusions and any recommendations to the Board.