

CAPITAL SOUTHWEST CORPORATION
NOMINATING/CORPORATE GOVERNANCE COMMITTEE CHARTER

PURPOSE OF THE COMMITTEE

This Charter governs the operations of the Nominating/Corporate Governance Committee (the “Committee”) of the Board of Directors (the “Board”) of Capital Southwest Corporation (the “Company”). The primary objectives of the Committee are to assist the Board by: (i) identifying individuals qualified to become members of the Board consistent with criteria approved by the Board in the Company’s Corporate Governance guidelines and recommending to the Board a slate of director nominees for each annual meeting of the Company’s shareholders; (ii) ensuring that the Audit, Compensation and Nominating/Corporate Governance Committees of the Board shall have the benefit of qualified and experienced “independent” directors; and (iii) ensuring the company develops and approves a Code of Conduct and Ethics applicable to the Company. In pursuing its objectives the Committee will coordinate its activities with the Audit Committee on relevant matters.

MEMBERSHIP AND ORGANIZATION

- The Committee shall consist of no fewer than three (3) members.
- Each member of the Committee shall be “independent” as defined by the rules of the NASDAQ Stock Market and shall not be an "interested director" as defined by the Investment Company Act of 1940, as amended.
- The members of the Committee shall be elected annually to one-year terms by a majority vote of the Board at the first meeting of the Board following the annual meeting of the shareholders. Vacancies on the Committee may be filled by majority vote of the Board at the next meeting of the Board following the occurrence of the vacancy. No member of the Committee shall be removed except by majority vote of the Board.
- The Committee’s chairperson shall be designated by the majority vote of the Board or, if the Board does not do so, the Committee members shall elect a chairman by vote of the majority of the Committee.

RESPONSIBILITIES AND AUTHORITY

- Establish criteria for selection of potential directors, taking into consideration the following desired attributes: leadership, independence, interpersonal skills, financial acumen, business experience, industry knowledge, and diversity of viewpoints. The Committee will periodically assess the criteria to ensure they are consistent with best practices and the goals of the Company.
- Review the qualifications, performance and independence of Board member pursuant to criteria and procedures established by the Committee and make recommendations whether each Board member should stand for re-election when his or her term expires.
- Review annually with the Board the composition of the Board as a whole and recommend, if necessary, measures to be taken so that the Board reflects the appropriate balance of knowledge, experience, skill, expertise and diversity desired for the Board as a whole and contains at least the minimum number of “independent” directors required by NASDAQ and/or any other regulatory requirements.

- Identify individuals who satisfy the criteria for selection to the Board and make recommendations on new candidates for Board membership.
- Consider and evaluate shareholder nominees for election to the Board.
- Recommend to the Board the removal of a director where appropriate.
- Establish criteria for membership on the Board committees and, in consultation with the Chairman of the Board, make recommendations to the Board for appointments to and removal from committees.
- Make verbal reports to the Board after each meeting of the Committee.
- Review and re-examine this Charter periodically and make recommendations to the Board with respect to any proposed changes.
- Review annually its own performance against the responsibilities outlined in this Charter and as otherwise established by the Board.
- Obtain advice, reports or opinions from internal or external counsel, search firms and other expert advisors, as needed.
- Review, at least once annually, the Compliance Policies & Procedures and related policies adopted by the Board to assure that it is appropriate for the Company and complies with the requirements of NASDAQ and/or any other regulatory requirements, recommend to the Board any desirable changes to the Code, consider any other Corporate Governance issues that arise from time to time and develop appropriate recommendations for the Board related to any such issues.
- Oversee and establish appropriate procedures for the annual evaluation of the Board and management.
- Develop and recommend to the Board a set of Corporate Governance guidelines applicable to the Company, review them annually and, if appropriate, recommend changes to the Corporate Governance guidelines to the Board.

MEETINGS AND MINUTES

- Members of the Committee shall meet at least once annually and shall also meet, as required, in response to the needs of the Board and as necessary to fulfill their responsibilities.
- The Committee will maintain written minutes of its meetings, which minutes will be maintained with the books and records of the Company.

COMMITTEE RESOURCES

Subject to the Board's approval, the Committee may conduct or authorize investigations into or studies of matters within the Committee's scope of responsibilities, and may retain, at the Company's expense, such independent counsel or other advisor as it deems necessary.

Adopted January 19, 2009