

NOMINATING COMMITTEE CHARTER

PURPOSE

The purpose of the Nominating Committee (the "Committee") of the Board of Directors (the "Board") of Capital Southwest Corporation (the "Company") is to ensure that the Board is properly constituted. To carry out this purpose, the Committee shall: (1) determine and recommend to the Board the slate of director nominees for election by the shareholders to the Company's Board; (2) recommend to the Board candidates to fill vacancies occurring between the Company's annual shareholder meetings; and (3) recommend to the Board the directors who shall serve on each committee of the Board.

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 appointed and replaced by the Board, and the Committee Chairman shall be selected by the Board.

RESPONSIBILITIES AND AUTHORITY

Evaluate the current composition of the Board and its committees; determine future requirements.

Make recommendations to the Board concerning the appointment of directors to committees of the Board, and recommend the selection of chairmen of committees of the Board.

Determine the desired qualifications, expertise and characteristics for potential directors and conduct searches for director candidates that have corresponding attributes.

Evaluate and recommend to the Board nominees for election by the Company's shareholders to the Board, and consider and evaluate shareholder nominees for election to the Board.

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.

MEETINGS AND MINUTES

Members of the Committee shall meet at least once annually and 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.