

XCel Brands, Inc.

Nominating and Corporate Governance Committee Charter

The Board of Directors (“Board”) of XCel Brands, Inc. (“Company” or “XCel”) is committed to establishing and maintaining corporate governance practices designed to aid the long-term success of the Company and effectively enhance and protect shareholder value. Central to effective corporate governance at XCel is the Nominating and Corporate Governance Committee (the “Committee”), which is responsible for developing and recommending to the Board a set of corporate governance policies for the Company, establishing criteria for selecting new directors, and identifying, screening and recruiting new directors. The Committee will also select nominees for directors and recommend directors for committee membership to the Board.

Membership

The Committee is comprised of no less than two independent members of the Board, all of whom must qualify as independent directors under the listing standards of the Nasdaq Stock Market, Inc. (“NASDAQ”). Notwithstanding this independence requirement, if the Committee is comprised of at least three members, one director, who is not independent as defined in Rule 4200 of the NASDAQ Marketplace Rules, and is not a current officer or employee of the Company or a Family Member (as defined in Rule 4200 of the NASDAQ Marketplace Rules) of such person, may be appointed to the Committee if the Board, under exceptional and limited circumstances, determines that such individual’s membership on the Committee is required by the best interests of the Company and its stockholders, and the Board discloses, on the Company’s website or in the next annual meeting proxy statement (or, Form 10-K) subsequent to such determination, the nature of the relationship of the director’s failure to meet NASDAQ independence standards and the reasons for the determination that such individual’s membership on the Committee is required by the best interests of the Company and its stockholders. A member appointed under this exception may not serve longer than two years.

The Committee members shall be appointed by the Board. The Board shall appoint one member of the Committee as chairperson. If the Board fails to elect a chairperson, the Committee members shall elect a chairperson from their members. The Committee chairperson and members serve one year renewable terms.

Responsibilities

The Committee’s responsibilities include the following:

- Develop and review, at least annually, the effectiveness of the Board’s corporate governance guidelines, including reviewing and recommending to the Board for approval any changes to the other documents and policies in the Company’s corporate governance framework, including its certificate of incorporation and by-laws. The Committee makes recommendations on revisions to the Board’s corporate governance guidelines as appropriate. Included among these responsibilities is keeping the Board apprised of impending corporate governance guidelines and “best practices.”
- Monitor and protect the Board’s independence.
- Oversee and review the Company’s processes for providing information to the Board.

- Recommend appropriate Board structures and membership, including the removal of directors, as necessary.
- To make recommendations to the Board regarding the selection and approval of the nominees for director to be submitted to a stockholder vote at the annual meeting of stockholders, subject to approval by the Board; provided that such recommendations be approved by a majority of the independent directors of the committee meeting where only independent directors are present.
- Recommend appropriate Board committee structures and membership including the existence of a Lead Independent Director, in accordance with the Corporate Governance Principles. The Board has determined that there are three committees essential to effective governance. These are the Audit, Compensation, and Nominating and Corporate Governance Committees. The Board is committed to ensuring the independence of these committees. Committee independence is evaluated in light of the Sarbanes-Oxley Act of 2002, Nasdaq Rules and the Company's "Corporate Governance Principles."
- Establish procedures for the director nomination process and recommend nominees for election or appointment to the Board. If a vacancy on the Board and/or any Board committee occurs, identify and make recommendations to the Board regarding the selection and approval of candidates to fill such vacancy either by election by stockholders or appointment by the Board. The Committee evaluates the background and qualifications of director nominees, including those nominated by the Company's stockholders. To nominate a director candidate for the Committee's consideration, please submit the candidate's name and qualifications to the Board of Directors c/o Corporate Secretary, 1333 Broadway, New York, New York 10018.
- Oversee formal evaluation of the Board and all Board committees. Included is formal assessment of individual directors. All directors will be formally evaluated prior to consideration for re-nomination to the Board.
- Recommend and review director compensation policies.
- Determine whether to appoint, conduct search for, and recommend appointment of a Chief Executive Officer to fill any vacancy of such office.
- Secure the services of external search firms or other experts, as necessary and appropriate. These services will be compensated from the Company provided Board of Directors budget. This budget system is designed to ensure the independence of such external advisors.
- Promote the quality of directors through continuing education experiences.
- The Committee shall annually review and evaluate the Committee charter.