

**NOMINATING AND CORPORATE GOVERNANCE COMMITTEE CHARTER  
OF  
TILE SHOP HOLDINGS, INC.**

**Purpose**

The Nominating and Corporate Governance Committee (the “Committee”) of the Board of Directors (the “Board”) of Tile Shop Holdings, Inc. (together with its subsidiaries, the “Company”) shall assist the Board with the discharge of its responsibilities relating to: (a) the identification of qualified candidates to become directors of the Company, (b) the selection of nominees for election as directors of the Company at any meetings of stockholders, (c) the selection of candidates to fill vacancies on the Board, (d) oversight of the evaluation of the Board, (e) the structure and composition of committees of the Board, and (f) corporate governance matters.

In addition to powers and responsibilities delegated herein, and consistent with the Company’s certificate of incorporation and bylaws, the Committee may exercise any powers and responsibilities delegated to it by the Board from time to time. To the fullest extent permitted by law, the Committee shall have the power to determine which matters are within the scope of the powers and responsibilities delegated to it, and any acceptance or rejection of such powers and responsibilities shall be in the Committee’s sole discretion. When acting within the scope of the powers and responsibilities delegated to it by the Board, the Committee shall have all of the powers and authority of the Board.

**Member Qualification and Appointment**

The Committee shall be composed of at least two (2) members of the Board. Except as otherwise permitted by the applicable rules of the NASDAQ Stock Market, each member of the Committee shall be an “independent director” as defined by such rules; provided, however that only those members of the Committee who are “independent directors” may select or recommend to the Board for selection, director nominees.

Each member of the Committee shall be appointed by the Board and shall serve until his or her resignation or until otherwise determined by the Board. Committee members may be removed from the Committee by the Board at any time, with or without cause. The Board shall designate a chairperson of the Committee (the “Chair”) and the Committee may elect a secretary of the Committee.

**Meetings and Administration**

The Chair (or, in his or her absence, a member of the Committee designated by the Chair) shall preside at each meeting of the Committee and shall determine the agenda for each meeting of the Committee. The Committee shall have authority to establish rules and procedures for notice and conduct of meeting, provided that such rules and procedures shall not be inconsistent with any provisions of the Company’s bylaws applicable to the Committee.

The Committee shall meet at least twice during each year and at such other times as may be designated by the Chair or by a majority of the other members of the Committee from time to time. The Committee shall also be permitted to take action by unanimous written consent when deemed necessary or appropriate.

The Committee may, in its discretion, invite other members of the Board, members of the Company's management, legal counsel to the Company or any other persons whose presence the Committee believes to be desirable and appropriate to meetings of the Committee. To the extent that it deems necessary or appropriate, the Committee may retain independent counsel, experts or advisors. Further, the Committee may utilize the services of the Company's regular legal counsel or other advisors. The Company shall provide appropriate funding, as determined by the Committee, for payment of compensation to any such persons retained by the Committee and for ordinary administrative expenses of the Committee.

### **Duties and Responsibilities**

1. Selection of Director Nominees. Except where the Company is legally required by contract, bylaw or otherwise to provide third parties with the right to nominate directors, the Committee shall be responsible for recommending to the Board nominees for election as directors at any meeting of stockholders and the persons to be appointed by the Board to fill any vacancies on the Board. In making such recommendations, the Committee shall consider candidates proposed by stockholders. The Committee shall review and evaluate information available to it regarding candidates proposed by stockholders, shall apply the same criteria, and shall follow substantially the same process in considering such candidates, as it does in considering other candidates. To advance the Company's goal of promoting Board diversity, the Committee shall include in its initial list of director candidates for potential recommendation to the Board one or more qualified women and minority candidates. The Committee shall consider the following criteria, among other criteria that the Committee shall deem appropriate, in recommending candidates for service on the Board:

- Personal and professional integrity;
- Experience in corporate management, such as service as an officer of a publicly held company and a general understanding of marketing, finance and other elements relevant to the success of a publicly held company;
- Experience in the Company's industry;
- Experience as a member of the board of directors of another publicly held company;
- Academic expertise in the area of the Company's operations;
- Practical and mature business judgment, including the ability to make independent analytical inquiries; and

- The manner in which a candidate's appointment to the Board would impact the overall composition of the Board with regard to diversity of viewpoint, professional experience, education, skill, race, ethnicity, gender identity, sexual orientation and national origin.

2. Evaluation of Directors. The Committee shall, on an annual basis, review the performance of each current director of the Company and shall consider the results of such evaluation when determining whether to recommend the nomination of such director to serve for an additional term.

3. Removal of Directors. The Committee shall, in its discretion, consider and make recommendations to the Board with regard to removal of a director for cause, in accordance with the applicable provisions of the Company's certificate of incorporation and bylaws.

4. Search Firms. The Committee shall have the authority to retain and terminate any search firm to be used to identify director nominees, including the authority to approve such firm's fees and other retention terms. The Committee shall direct any search firm it retains to include in the firm's list of potential director candidates one or more qualified women and minority candidates. The Company shall provide funding, as determined by the Committee, for the payment of compensation to any such search firms.

5. Outside Board Service. The Committee shall be responsible for approving the service by any officer or employee of the Company on the board of directors, as a trustee or on any committee of any entity.

6. Committee Charters. The Committee shall approve the charter for each committee of the Board.

7. Selection of Committee Members. The Committee shall make recommendations to the Board with regard to the directors to be appointed to serve on each committee of the Board.

8. Policies and Procedures. The Committee shall consider, develop and recommend to the Board policies and procedures with regard to the nomination of directors or other corporate governance matters as may be required, or required to be disclosed, pursuant to any rule promulgated by the United States Securities and Exchange Commission or otherwise considered appropriate by the Committee.

9. Corporate Governance Documents. The Committee shall consider and make recommendations to the Board with regard to any proposed changes to the Company's certificate of incorporation, bylaws, or other corporate governance guidelines, policies or procedures.

10. Evaluation of the Board. The Committee shall be responsible for overseeing an annual self-evaluation of the Board to determine whether it, and its committees, are functioning effectively. The Committee shall determine the nature such evaluations, supervise the conduct of such evaluations and prepare assessments of the performance of the Board, to be discussed with the Board.

11. Succession of Senior Executives. The Committee shall be responsible for overseeing an annual review by the Board of succession planning of the Company's senior management, which shall include transitional leadership in the event of an unplanned vacancy.

12. Investigations. The Committee shall have the authority to conduct or authorize investigations into any matters within the scope of its responsibilities as it shall deem appropriate, including the authority to request that any officer, employee, or advisor of the Company meet with the Committee or any advisors engaged by the Committee.

13. Reports to Board. The Committee shall report regularly to the Board.

14. Charter. The Committee shall, from time to time as it deems appropriate, review and reassess the adequacy of this Charter and recommend any proposed changes to the Board for approval.

15. Evaluation of Committee. The Committee shall evaluate its own performance on an annual basis, including compliance with this Charter, and provide any written material with respect to such evaluation to the Board along with any recommendations for changes in procedures or policies governing the Committee.

### **Delegation of Duties**

The Committee shall be permitted to delegate any or all of its responsibilities to one or more subcommittees of the Committee (including a subcommittee consisting of a single member) to the extent consistent with this Charter, the Company's certificate of incorporation and bylaws, applicable law, and the rules of the NASDAQ Stock Market and such other markets in which the Company's securities trade.