

DSW INC.

DIRECTOR CODE OF CONDUCT

The Board of Directors of DSW Inc. (“DSW”) has adopted the following Code of Conduct for directors of DSW (the “Code”). This Code is intended to summarize the Board’s and each director’s duties to DSW, focus the Board and each director on areas of ethical risk, provide guidance to directors to help them recognize and deal with ethical issues, provide mechanisms to report unethical conduct, and help foster a culture of honesty and accountability.

No code or policy can anticipate every situation that may arise. Accordingly, this Code is intended to serve as a source of guiding principles for directors. Directors are encouraged to bring questions about particular circumstances that may implicate one or more of the provisions of this Code to the attention of the Chair of the Nominating and Corporate Governance Committee or the Chief Compliance Officer, who may consult with inside or outside legal counsel as appropriate.

These guidelines were developed and recommended to the Board of Directors of DSW by its Nominating and Corporate Governance Committee. They may be refined, expanded or revised in the future as the Board, on the advice of its Nominating and Corporate Governance Committee, deems necessary or advisable.

1. Standard of Conduct

The Board of Directors of DSW exercises, or directs the exercise, of the authority of DSW. In discharging his or her duty in this regard, each director shall at all times act in a manner he or she believes in good faith to be in the best interests of DSW, and exercise the care an ordinarily prudent person in a like position would exercise under similar circumstances.

The Board represents the interests of shareholders, as owners of DSW, in optimizing value by overseeing management performance on the shareholders’ behalf. The Board’s responsibilities in performing this oversight function include a duty of care and a duty of loyalty.

A director’s duty of care refers to the responsibility to exercise appropriate diligence in overseeing the business and affairs of DSW, making decisions and taking other actions. In meeting the duty of care, directors are expected to:

- *Attend and participate in board and committee meetings.* Personal participation is required.
- *Remain properly informed about DSW’s business and affairs.* Directors should devote appropriate time to reviewing periodic updates provided by management, as well as studying board and committee materials prior to each meeting.
- *Rely on others.* Absent knowledge that makes reliance unwarranted, directors may rely on board committees, management, employees, and professional advisors.

- *Make inquiries.* Directors should make inquiries about potential problems that come to their attention and follow up until they are reasonably satisfied that management is addressing them appropriately.

A director's duty of loyalty refers to the responsibility to act in good faith and in DSW's best interests, not the interests of the director, a family member or an organization with which the director is affiliated. Directors shall not use their positions for personal gain.

2. Conflicts of Interest

Directors must strive to avoid any conflicts of interest between the director and DSW. Any situation that involves, or may reasonably be expected to involve, a conflict of interest with DSW, should be disclosed to the Chair of the Nominating and Corporate Governance Committee. Notwithstanding the foregoing, the Audit Committee of the Board of Directors may approve a transaction, or a series of similar transactions, in which a director has a conflict of interest pursuant to the Policy for Approval of Related Party Transactions by the Audit Committee, and the Audit Committee's approval of such transaction or series of transactions shall not constitute a waiver of this Code.

A "conflict of interest" can occur when a director's private interest interferes in any way - or even appears to interfere - with the interests of DSW as a whole. Conflicts of interest can also arise when a director, or his or her immediate family member, takes action or has interests that may make it difficult to serve as a director of DSW objectively and effectively or receives improper personal benefits as a result of his or her position as a director of DSW. For the purposes of this Code, "immediate family member" means a person's spouse, parents, children, step-children, siblings, mothers and fathers-in-law, sons and daughters-in-law, brothers and sisters-in-law, and anyone (other than domestic employees) who shares such person's home.

Conflicts of interest may arise indirectly - for instance, when a director is an executive officer, major shareholder or otherwise has a material interest in another company or organization doing business with DSW.

3. Corporate Opportunities

Except as provided in DSW's Articles of Incorporation, directors are prohibited from: (a) taking for themselves personally opportunities that are discovered through the use of corporate property, information or position; (b) using DSW's property, information, or position for personal gain; or (c) competing with DSW, *provided, however*, if DSW's disinterested directors determine that DSW will not pursue an opportunity that relates to DSW's business, a director may do so. Directors owe a duty to DSW to advance its legitimate interests when the opportunity to do so arises.

4. Confidentiality

Directors shall maintain the confidentiality of information entrusted to them by DSW or its customers, and any other confidential information about DSW that comes to them, from

whatever source and in whatever form or medium, in their capacity as a director, except when disclosure is authorized or legally mandated. For purposes of this Code, “confidential information” includes all non-public information relating to DSW that might be of use to competitors, or harmful to DSW or its customers, if disclosed, or which belongs or pertains to others doing business or potentially doing business with DSW and which DSW is required to keep confidential.

5. Fair Dealing

Each director should endeavor to deal fairly with DSW’s customers, suppliers, competitors and employees. No director should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or other practices.

6. Compliance with Laws, Rules, and Regulations

Directors shall comply with applicable laws, rules and regulations in their service to DSW, including without limitation, the applicable provisions of state and federal securities laws. Transactions in DSW securities are governed by DSW’s Insider Trading Policy. Directors are at all times prohibited from trading in DSW securities or any other company with which DSW has material or potentially material dealings while they are aware of material, non-public information concerning DSW or such other company.

7. Protection and Proper Use of DSW Assets

Directors must protect DSW’s assets and ensure their efficient use. DSW’s assets should be used for legitimate business purposes. Directors must not use company time, employees, or other assets for personal benefit without prior authorization from the Chairman or as part of a compensation or expense reimbursement program available to all directors.

8. Encouraging the Reporting of any Illegal or Unethical Behavior

Directors should promote ethical behavior and (a) encourage employees to talk to supervisors, managers and other appropriate personnel when in doubt about the best course of action in a particular situation; (b) encourage employees to report violations of laws, rules, regulations to appropriate personnel; and (c) inform employees that DSW will not allow retaliation for reports made in good faith.

9. Compliance Procedures

Directors shall communicate any suspected violations of this Code promptly to the Chair of the Nominating and Corporate Governance Committee. Violations will be investigated by the Board or by a person or persons designated by the Board and appropriate action will be taken in the event of any violations of the Code.

10. Waivers

Any waiver of this Code may be made only by the Nominating and Corporate Governance Committee. Any waivers will be promptly disclosed to DSW's shareholders.