

# **ALLIANCE DATA SYSTEMS CORPORATION**

## **NOMINATING & CORPORATE GOVERNANCE COMMITTEE**

### **CHARTER**

Revised as of December 10, 2009

#### **Function**

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The Nominating & Corporate Governance Committee (the “Governance Committee”) is a committee of the Board of Directors (the “Board”) of Alliance Data Systems Corporation (the “Company”). Its primary functions are to (1) assist the Board by identifying individuals qualified to become Board members and to recommend to the Board the director nominees for the next annual meeting of stockholders; (2) recommend to the Board the director nominees for each committee; (3) develop and recommend to the Board a set of corporate governance principles applicable to the Company and to reevaluate these principles on an annual basis; and (4) lead the Board in its annual review of the Board’s performance and the Corporate Governance Guidelines. The Board may revise the Corporate Governance Guidelines when it is deemed to be in the best interests of the Company and its stockholders to do so.

#### **Responsibilities**

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In meeting its responsibilities, the Governance Committee shall be empowered to:

##### Board Candidates and Nominees

- Propose to the Board a slate of nominees for election by the stockholders at the annual meeting of stockholders, as well as prospective director candidates in the event of the resignation, death or retirement of directors or a change in Board composition requirements.
- Develop criteria for the selection of directors, including procedures for reviewing potential nominees proposed by stockholders.
- Review with the Board the desired experience, mix of skills and other qualities to assure appropriate Board composition, taking into account the current Board members and the specific needs of the Company and the Board.
- Conduct candidate searches, interview prospective candidates and arrange programs to introduce the candidates to the Company, its management and operations, and confirm the appropriate level of interest of such candidates. Conduct appropriate inquiries into the background and qualifications of potential nominees.
- Retain and terminate any search firm to be used to identify director candidates, including the authority to negotiate and approve the fees and retention terms of such search firm.

- Recommend to the Board, with the input of the Chief Executive Officer, qualified candidates for the Board who bring the background, knowledge, experience, skill sets and expertise that would strengthen and increase the diversity of the Board.
- Review the suitability for continued service as a director of each Board member at least every three years, or when he or she has a significant change in status, such as an employment change, and recommend whether or not such director should be re-nominated.
- Work with senior management to provide an orientation and continuing education program for directors.

#### Board and Committees

- Review and monitor the size and composition of the Board and its committees to ensure that the requisite number of directors are “independent directors” within the meaning of any rules and laws applicable to the Company.
- Establish and review policies pertaining to the roles, responsibilities, tenure and removal of directors.
- Review and consider possible conflicts of interests that may arise between the Company and any director.
- Review periodically, with the participation of the Chief Executive Officer, all Board committees and recommend to the Board changes, as appropriate, in the number, responsibilities, membership and chairs of the committees.
- Recommend that the Board establish such special committees as may be necessary or appropriate to address ethical, legal or other matters that may arise.

#### Corporate Governance

- Review at least annually the Company’s Corporate Governance Guidelines to ensure that they reflect best practices and are appropriate for the Company.
- Form and delegate authority to subcommittees where appropriate.
- Review at least annually the performance of the Governance Committee.
- Periodically review and recommend changes to the Company’s bylaws as they relate to corporate governance issues.
- Periodically review the effectiveness of the Audit Committee with respect to its Compliance Oversight Responsibilities, including with regard to auditor independence, compliance with the Company’s code of business conduct and ethics, the handling of anonymous complaints regarding accounting matters and related items.

- Review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.

The Governance Committee may conduct or authorize investigations into or studies of matters within the Governance Committee's scope of responsibilities as described above, and may retain, at the expense of the Company, independent counsel or other consultants necessary to assist the Governance Committee in any such investigations or studies.

Minutes of each meeting are to be prepared and sent to Governance Committee members and the Company's directors who are not members of the Governance Committee. If the secretary or assistant secretary of the Company has not taken the minutes, they should be sent to him or her for permanent filing.

## **Membership**

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The Governance Committee shall consist of at least two members of the Board who shall serve at the pleasure of the Board. Each member of the Governance Committee shall meet the independence requirements of the New York Stock Exchange. No person may be made a member of the Governance Committee if his or her service on the Governance Committee would violate any restriction on service imposed by any rule or regulation of the Securities and Exchange Commission or the New York Stock Exchange.

The duties and responsibilities of a member of the Governance Committee are in addition to those duties set out for a member of the Board.

Nothing contained in this Charter is intended to expand applicable standards of liability under statutory or regulatory requirements for the directors of the Company or members of the Governance Committee. The purposes and responsibilities outlined in this Charter are meant to serve as guidelines rather than as inflexible rules, and the Governance Committee is encouraged to adopt such additional procedures and standards as it deems necessary from time to time to fulfill its responsibilities.