

HEARTLAND PAYMENT SYSTEMS, INC. AUDIT COMMITTEE CHARTER

Purpose of Committee

The Audit Committee (the "Committee") is appointed by and generally acts on behalf of the Board of Directors (the "Board") to assist the Board in monitoring (1) the integrity of the financial statements of Heartland Payment Systems, Inc. (the "Company") and the Company's financial reporting and disclosure practices; (2) the compliance by the Company with ethical policies and legal and regulatory requirements; (3) the appointment, compensation, qualifications, independence and performance of the Company's internal and external auditors; (4) the performance of the Company's internal audit function and (5) the financial reporting process and systems of internal accounting and internal control over financial reporting (the "Internal Controls"). The Committee shall also prepare an audit committee report as required by the Securities and Exchange Commission (the "SEC") for inclusion in the Company's annual proxy statement.

Committee Membership

The Committee shall be comprised of at least three directors, each of whom shall, in the business judgment of the Board, meet the independence requirements of the New York Stock Exchange, Inc. (the "NYSE") and Section 10A(m)(3) of the Securities Exchange Act of 1934 (the "Exchange Act"), as amended, and each of whom shall not have participated in the preparation of the financial statements of the Company at any time during the past three years.

In addition, all of the Committee members must be "financially literate" and at least one member of the Committee must have "accounting or related financial management expertise," as such qualifications are interpreted by the Board in its business judgment. The Board shall also determine whether any member of the Committee is an "audit committee financial expert," as defined by rules of the SEC. If the Board has determined that a member of the Committee is an audit committee financial expert, it may presume that such member has accounting or related financial management expertise.

No director may serve as a member of the Committee if such director serves on the audit committees of more than two other public companies unless the Board determines that such simultaneous service would not impair the ability of such director to effectively serve on the Committee, and discloses this determination in the Company's annual proxy statement.

The members of the Committee shall be appointed by the Board for such term or terms as the Board may determine in its discretion and serve at the pleasure of the Board. The Board shall appoint the Chairperson of the Committee.

Committee Duties and Responsibilities

The Committee shall make regular reports to the Board.

The Committee shall:

1. Review with management and the independent auditor the effect of regulatory and accounting initiatives as well as off-balance sheet structures on the Company's financial statements.
2. Review with management and the independent auditor the Company's annual audited financial statements and quarterly financial statements prior to the filing of the Company's Forms 10-K and 10-Q, including (i) the results of the independent auditor's reviews of such financial statements, (ii) major issues regarding accounting and auditing principles and practices, (iii) the adequacy of Company's Internal Controls that could significantly affect the Company's financial statements and (iv) the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations".
3. Discuss with management and the independent auditor, as appropriate, earnings press releases and financial information.
4. Recommend, for stockholder approval, the appointment of the independent auditor, which firm is ultimately accountable to the Committee and the Board.
5. Be directly responsible for the compensation, retention and oversight of the work of the independent auditor, who shall report directly to the Committee.
6. Resolve disagreements between management and the independent auditor regarding financial reporting.
7. Ensure that the independent auditor prepares and delivers annually an auditor's statement (it being understood that the independent auditor is responsible for the accuracy and completeness of this statement), to discuss with the independent auditor any relationships or services disclosed in this statement that may impact the quality of audit services or the objectivity and independence of the Company's independent auditors, and to recommend that the Board take appropriate action in response to the independent auditor's report to satisfy itself of the independent auditor's independence.
8. Review the experience and qualifications of the senior members of the independent auditor team and the quality control procedures of the independent auditor.
9. Review the experience and qualifications of the Company's senior finance executives.
10. Review the appointment and retention of the senior internal auditing executive.

11. Meet with the senior internal auditing executive to discuss the internal auditing department's significant reports to management and management's responses thereto.
12. Approve all audit engagement fees to be paid to the independent auditor.
13. Evaluate together with the Board the performance of the independent auditor and, whether it is appropriate to rotate independent auditors on a regular basis, but in no event no less frequently than is required by law. If so determined by the Committee, recommend that the Board replace the independent auditor.
14. Establish policies for the hiring of employees and former employees of the independent auditor, taking into consideration any policies that the independent auditor may have in this regard.
15. Obtain from the independent auditor assurance that Section 10A of the Private Securities Litigation Reform Act of 1995 has not been implicated.
16. Pre-approve all audit services to be provided by the independent auditor.
17. Pre-approve all permitted non-audit services to be performed by the independent auditor and establish policies and procedures for the engagement of the independent auditor to provide permitted non-audit services. Current guidelines are set forth on Exhibit A attached to this Charter.
18. Review and reassess the adequacy of this Charter and the independence of the independent auditor annually and recommend any proposed changes to the Board for approval.
19. Receive periodic reports from the independent auditor regarding the auditor's independence consistent with Independence Standards Board Standard 1, discuss such reports with the auditor, and if so determined by the Committee, take or recommend that the full Board take appropriate action to oversee the independence of the auditor.
20. Review an analysis prepared by management and the independent auditor of significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements;
21. Meet periodically with management to review the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures;
22. Review major changes to the Company's auditing and accounting principles and practices as suggested by the independent auditor, internal auditors or management;

23. Review the significant reports to management prepared by the internal auditing department and management's responses.
24. Meet with the independent auditor prior to the audit to review the scope, planning and staffing of the audit.
25. Discuss with the independent auditor the matters required to be discussed by Statement on Auditing Standards No. 61 relating to the conduct of the audit.
26. Review with the independent auditor any problems or difficulties the auditor may have encountered and any management letter provided by the auditor and the Company's response to that letter. Such review should include:
 - (a) Any difficulties encountered in the course of the audit work, including any restrictions on the scope of activities or access to required information;
 - (b) Any changes required in the planned scope of the internal audit; and
 - (c) The internal audit department responsibilities, budget and staffing.
27. Prepare the report required by the rules of the Securities and Exchange Commission to be included in the Company's annual proxy statement.
28. Advise the Board with respect to the Company's policies and procedures regarding compliance with applicable laws and regulations and with the Company's Code of Business Conduct and Ethics.
29. Meet at least annually with the chief financial officer, the senior internal auditing executive and the independent auditor in separate executive sessions.
30. Review all related-party transactions for potential conflict of interest situations.
31. Discuss with the Company's management any significant legal, compliance or regulatory matters that may have a material effect on the financial statements or the Company's business, financial statements or compliance policies, including material notices to or inquires received from governmental agencies.
32. Conduct an annual evaluation of the Committee's performance in carrying out these duties and responsibilities, and prepare and issue the evaluation report required under "Performance Evaluation" below.
33. Establish procedures for the confidential and anonymous receipt, retention and treatment of complaints and concerns regarding the Company's accounting, internal accounting controls and auditing matters.

34. Perform any other duties or responsibilities consistent with this Charter, the Company's articles or incorporation and bylaws, each as from time to time amended and restated, and governing law as the Committee or the Board deems necessary or appropriate.

Meetings and Reporting

The Committee shall meet in person or telephonically no less frequently than four per year, or more frequently as circumstances dictate. The Committee should meet separately periodically with management, the senior internal auditing executive and the independent auditor to discuss any matters that the Committee or any of these persons or firms believe should be discussed privately. The proceedings of all Committee meetings shall be reflected in written minutes, which shall be maintained with the records of proceedings of the Board. The Committee shall report to the Board at appropriate intervals (but no less than once per year) on the activities of the Committee and its findings.

The Committee is governed by the same rules regarding meetings (including meetings by teleconference or similar communications equipment), action without meetings, notice, waiver of notice, and quorum and voting requirements as are applicable to the Board, except that in the event of a tie vote on any issue, the Chairperson's vote shall decide the issue. The Committee may request any officer or employee of the Company or the Company's outside counsel or independent auditor to attend a meeting of the Committee or to meet with any members of, or advisors to, the Committee.

Performance Evaluation

The Committee shall prepare and review with the Board an annual performance evaluation of the Committee, which evaluation shall compare the performance of the Committee with the requirements of this Charter. The performance evaluation shall recommend to the Board any improvements to the Committee's charter deemed necessary or desirable by the Committee. The performance evaluation by the Committee shall be conducted in such manner as the Committee deems appropriate. The report to the Board may take the form of an oral report by the Committee or any member thereof designated by the Committee to make such report.

Resources and Authority

The Committee shall have the resources and authority necessary to discharge its duties and responsibilities, including the authority to retain outside counsel or other experts or consultants, as it deems appropriate. The Committee shall have sole authority to approve related fees and retention terms.

Committee members shall receive no compensation other than for Board or Committee services.

Delegation to Subcommittee

The Committee may, in its discretion, delegate its authority in accordance with the Delaware General Corporation Law to subcommittees established by the Committee from time to time, which subcommittees will consist of one or more members of the Committee and shall report to the Committee.

Limitation of Audit Committee's Role.

The Committee's role is one of oversight. Management is responsible for preparing the Company's financial statements, and the independent auditors are responsible for auditing those financial statements. Management is responsible for the fair presentation of the information set forth in the financial statements in conformity with GAAP. The independent auditor's responsibility is to provide their opinion, based on their audits, that the financial statements fairly present, in all material respects, the financial position, results of operations and cash flows of the Company in conformity with GAAP. While the Audit Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Audit Committee to plan or conduct audits or to determine that the Company's financial statements and disclosures are complete and accurate and are in conformity with GAAP. Further, it is not the duty of the Audit Committee to assure compliance with applicable laws and regulations, the Corporation's [Code of Ethical Conduct] or its environmental compliance program.

Adoption of Charter

This Charter was originally adopted by the Board of Directors on May 10, 2004.

Exhibit A

**Guidelines for the Retention of the
Independent Auditor for Non-Audit Services**