

**CHARTER OF THE
NOMINATING AND CORPORATE GOVERNANCE COMMITTEE
OF THE BOARD OF DIRECTORS OF
ITT EDUCATIONAL SERVICES, INC.**

Purpose

The Nominating and Corporate Governance Committee (the "Committee") is appointed by the Board of Directors (the "Board") of ITT Educational Services, Inc. ("ITT/ESI") to:

- (1) assist the Board by identifying individuals qualified to become Board members, and recommend to the Board the director nominees for the each annual meeting of shareholders;
- (2) develop and recommend to the Board the Corporate Governance Guidelines applicable to ITT/ESI;
- (3) lead the Board in its annual review of the Board's performance; and
- (4) recommend to the Board director nominees for each committee.

Committee Membership

The Committee will consist of at least three directors. Each of the members of the Committee will meet the independence requirements of both federal law and the rules of the New York Stock Exchange.

The members of the Committee and the Chair of the Committee will be appointed and replaced by the Board.

Committee Authority and Responsibilities

1. The Committee will have the sole authority to retain and terminate any search firm to be used to identify director candidates and will have sole authority to approve the search firm's fees and other retention terms. The Committee will also have authority to obtain advice and assistance from internal or external legal, accounting or other advisors.
2. The Committee will assess the need for new directors of ITT/ESI on an ongoing basis, including identifying any specific needs in terms of industry or professional background, or independence standards, for nominees. The Committee will identify possible nominees who meet specified objectives in terms of the composition of the Board, taking into account such factors as geographic, occupational, gender, race and age diversity. The Committee will actively seek

individuals qualified to become Board members, consistent with criteria approved by the Board, for recommendation to the Board.

3. The Committee will recommend to the Board the director nominees for each annual meeting of shareholders and the director to serve as Chairperson of the Board. The Committee will also recommend to the Board director nominees and the Chairperson for each committee of the Board.
4. The Committee will receive comments from all directors and report annually to the Board with an assessment of the Board's performance, to be discussed with the full Board following the end of each fiscal year. The Committee will lead the evaluation of Board members by examining such factors as experience, business judgment, integrity, time and commitment, shareholdings, teamwork and independence.
5. The Committee will oversee the evaluation of ITT/ESI's management for the purpose of ensuring that such evaluation occurs and is reasonable.
6. The Committee will review and reassess the adequacy of ITT/ESI's Corporate Governance Guidelines and recommend any proposed changes to the Board for approval. The Committee will perform the duties and functions set forth in the Corporate Governance Guidelines.
7. The Committee will meet at least annually, or more frequently as circumstances dictate. The Committee will meet at least once prior to the time when nominees for the Board are to be determined for inclusion in the proxy statement for ITT/ESI's annual meeting of shareholders.
8. The Committee may form and delegate authority to subcommittees when appropriate.
9. The Committee will make regular reports to the Board.
10. The Committee will review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.
11. The Committee will annually review its own performance.