

CORPORATE GOVERNANCE & NOMINATING COMMITTEE
CHARTER OF IPAYMENT, INC.

The Board of Directors (the “**Board**”) of iPayment, Inc. (the “**Company**”) has constituted and established a Corporate Governance & Nominating Committee (the “**Governance Committee**”) with the authority, responsibility and specific duties as described in this Governance Committee Charter (this “**Charter**”).

I. Purpose

The Governance Committee’s purpose shall include (i) overseeing the Board in its annual review of the Board’s and each of its committee’s performance and the performance of management; and (ii) the development and recommendation to the Board of a set of corporate governance guidelines applicable to the Company.

The purposes and provisions specified in this Charter are meant to serve as guidelines, and the Governance Committee is delegated the authority to adopt such additional procedures and standards as it deems necessary from time to time to fulfill its responsibilities. Nothing herein is intended to expand applicable standards of liability under state or federal law for directors of a corporation.

II. Appointment

The members of the Governance Committee shall be designated by the Board consistent with the following requirements:

- The Governance Committee shall consist of three (3) or more directors, as determined by the Board.
- Each member of the Governance Committee shall satisfy the applicable independence requirements of the Nasdaq National Market and any other applicable law or regulatory requirements.

Governance Committee members shall be designated by the Board annually and members shall serve until the successors shall be duly designated and qualified. Any member may be removed at any time, with or without cause, by a majority of the Board then in office. Any vacancy in the Governance Committee occurring for any cause whatsoever may be filled by a majority of the Board then in office.

The Governance Committee’s chairperson shall be designated by the Board, or if it does not do so, the Governance Committee members shall elect a chairperson by vote of a majority of the Governance Committee. A majority of the members of the Governance Committee shall constitute a quorum for the transaction of business and the act of a majority of those present at any meeting at which there is a quorum shall be the act of the Governance Committee.

III. Duties and Responsibilities

The Governance Committee shall have the power and authority of the Board (including the sole authority to fulfill the following responsibilities:

1. Review and make recommendations to the Board regarding Board member qualifications, composition and structure.
2. Review and make recommendations to the Board regarding the nature and duties of Board committees and qualifications of committee members, including without limitation:

- a. evaluating the charters, duties and powers of Board committees according to existing and planned Company objectives and recommending changes with respect thereto; and
 - b. recommending the size and composition of the Board Committees.
3. Identify and recommend to the Board:
 - a. nominees to fill vacancies as they occur among the Board; and
 - b. prior to each annual meeting of shareholders, a slate of nominees for election or reelection as directors by the shareholders of the Company at the annual meeting and consider suggestions for Board membership submitted by shareholders.
4. Develop and recommend to the Board a code of business conduct and ethics for directors, officers and employees satisfying the requirements of applicable law, the Nasdaq National Market and any other applicable requirements.
5. Review and recommend to the Board approval of any waiver of, or amendment to, the code of business conduct and ethics or the corporate governance guidelines, which must be promptly disclosed to the shareholders.
6. Periodically review and reassess the adequacy of this Charter and recommend any proposed changes to the Board for consideration and approval.
7. Perform any other activities consistent with this Charter, the Company's by-laws and governing law as the Governance Committee or the Board may deem appropriate.

IV. Meetings

The Governance Committee shall meet at least one time annually or more frequently as circumstances dictate. The chairperson of the Governance Committee will preside at each meeting of the Governance Committee and, in consultation with other members of the Governance Committee, shall determine the frequency and length of each meeting and the agenda of items to be addressed at each meeting. The chairperson will ensure that the agenda for each meeting is circulated in advance of the meeting.

V. Reporting

The Governance Committee will apprise the Board regularly of significant developments in the course of performing the above responsibilities and duties.

VI. Compensation

Each member of the Governance Committee shall be entitled to compensation for meeting attendance at the standard fee applicable to other standing Board committees and to reimbursement for reasonable out-of-pocket expenses.

IX. Management Support

To assist the Governance Committee in fulfilling its duties, management will provide the Governance Committee with information and recommendations as needed and requested.