

## **NOMINATING AND GOVERNANCE COMMITTEE OF THE BOARD OF DIRECTORS CHARTER**

### **I. PREAMBLE**

The Board of Directors (the “Board”) of Collegiate Funding Services, Inc. (“CFS”) recognizes its oversight and guidance role within CFS. The Nominating and Governance Committee is a key committee utilized by the Board of CFS in the fulfillment of this oversight and guidance role.

### **II. PURPOSE OF THE COMMITTEE**

The Nominating and Governance Committee shall provide support for the governance role of the Board of CFS in reviewing and making recommendations on the composition of the Board, periodically assessing the functioning of the Board and its Committees, reviewing and making recommendations regarding non-employee director compensation, and making recommendations to the Board regarding corporate governance matters and practices. The Nominating and Governance Committee will fulfill these responsibilities and duties primarily by carrying out the activities enumerated in this Charter.

### **III. COMPOSITION AND ORGANIZATION**

The Nominating and Governance Committee shall be comprised of three or more directors as determined by the Board of CFS, one of whom shall be an independent director of CFS and shall meet the applicable independence requirements (the “Independence Requirements”) of the NASDAQ Stock Market (“NASDAQ”) at the time of the listing of shares of CFS’s common stock on the NASDAQ (the “Listing Date”) and each of whom shall be selected and retained in compliance with all applicable rules, regulations and statutes. Unless CFS is a “controlled company” under the NASDAQ rules, a majority of the members of the Nominating and Governance Committee will satisfy the Independence Requirements within 90 days of the Listing Date and all members of the Nominating and Governance Committee will satisfy the Independence Requirements within 12 months of the Listing Date. The Nominating and Governance Committee members shall be appointed for one-year terms at the annual meeting of the Board and shall serve until a replacement for each member is duly elected and qualified or until such member’s resignation or removal from the Board or the Nominating and Governance Committee. The members of the Nominating and Governance Committee may be removed, with or without cause, by a majority vote of the Board. The Chairman of the Nominating and Governance Committee shall be designated by the Board. The Nominating and Governance Committee may form and delegate authority to subcommittees in compliance with the applicable law when deemed appropriate by the Nominating and Governance Committee.

Notwithstanding the foregoing, so long as the Nominating and Governance Committee is composed of at least three directors, CFS may appoint one director to the Nominating and Governance Committee who does not meet the independence requirements of the NASDAQ rules, if the board, under exceptional and limited circumstances, determines that membership on the Nominating and Governance Committee by such director is required by the best interests of CFS and its shareholders, provided such director is not a current officer or employee or a family member (as defined in the NASDAQ rules) of a current officer or employee.

### **IV. MEETINGS**

The Nominating and Governance Committee shall meet as needed at stated times without notice, or on notice to all by order of the Chairman of the Board, the Chief Executive Officer, General Counsel, or by one of the members of the Nominating and Governance Committee. The Nominating and Governance Committee shall hold executive sessions as necessary and/or as convened by the Chairman of the Nominating and Governance Committee. A majority of the Nominating and Governance Committee members shall constitute a quorum for the transaction of business. The action of a majority of those present at a meeting, at which a quorum is present, shall be the act of Nominating and Governance Committee, except with respect to recommendations of nominees for election as Directors, which action shall be unanimous. The Nominating and Governance Committee may also take action by unanimous written consent or by conference communication by means of telephone or similar communications equipment by which all persons participating in the meeting can hear each other, and such participation in a meeting shall constitute presence in person at such meeting. The Nominating and Governance Committee shall keep a record of its actions and proceedings, and the Chairman of the Nominating and Governance Committee shall make a report thereof from time to time to the Board.

## **V. RESPONSIBILITIES AND DUTIES**

To fulfill its responsibilities and duties, the Nominating and Governance Committee, acting in conjunction with the Chairman of the Board at such times as the Nominating and Governance Committee deems appropriate, shall:

1. With respect to the selection of Directors, establish criteria and procedures for identifying candidates for the Board; periodically review potential candidates, including those submitted in accordance with the By-Laws or proxy materials of CFS and recommend to the Board nominees for election as Directors of CFS; and have the sole authority to hire and terminate the services of any search firm used in the identification of director candidates and approve such search firm's fees and other terms and conditions of such engagement.
2. With respect to the functioning of the Board and the Committees of the Board,
  - Review and make recommendations to the Board concerning the types, duties, functions, size, operation, and membership of Committees of the Board;
  - Review and make recommendations to the Board regarding the adoption and amendment of charters of the Committees of the Board;
  - Conduct a review and evaluation annually of the functioning of the Nominating and Governance committee in such manner as it deems appropriate; and
  - In consultation with the full Board, conduct a review and evaluation annually of the functioning of the Board in such manner as the Nominating and Governance Committee deems appropriate.
3. With respect to compensation for non-employee members of the Board, review and recommend to the Board the amount and form of annual retainer, meeting fees, and other direct and indirect compensation and benefits to be paid or made available to Directors of CFS.

4. Develop and recommend to the Board a set of corporate governance principles applicable to CFS and from time to time, as the Nominating and Governance Committee shall deem appropriate, make other recommendations to the Board regarding other governance matters and practices. Monitor the development of best practices regarding corporate governance and take a leadership role in shaping the corporate governance of CFS.
5. Review and assess the management succession plan for the Chief Executive Officer position and other members of executive management and annually review such assessment with the Board of Directors.
6. Review and approve the requests of “employee” Directors seeking to accept invitations to serve on the boards of Directors of other public companies and committees thereof.
7. Oversee the annual self-evaluation by the Board of Directors of itself and its committees.
8. Perform any other activities consistent with this Charter and CFS’s By-Laws as the Nominating and Governance Committee, the Board, the Chairman of the Board, and/or the Chief Executive Officer of CFS deems necessary or appropriate.
9. Review and reassess, at least annually the adequacy of this Charter and the charters of all the other Committees of the Board and recommend to the Board for its consideration any improvements in this Charter or the charters of the other Committees that Nominating and Governance Committee deems necessary or appropriate.

Effective as of July 21, 2004; adopted by the Board on June 21, 2004.