



## **GOVERNANCE AND NOMINATING COMMITTEE CHARTER**

*As Approved by the Board of Directors*

Revised April 1, 2004

The Board of Directors of Carreker Corporation (the “Company”) believes it is important to have a well functioning Governance and Nominating Committee (the “Committee”) of the Board of Directors (the “Board”).

### **COMPOSITION**

The Committee shall be composed of at least two, but not more than four, members of the Board who are Independent Directors (as that term is defined in the Company’s Corporate Governance Guidelines), one of whom shall serve as chairperson. The Committee and its chairperson shall be nominated and elected by the Board.

### **PURPOSE**

The purpose of the Committee shall be to:

1. advise the Board concerning appropriate composition of the Board and its committees;
2. serve as a nominating committee for the Board;
3. advise the Board regarding appropriate corporate governance practices and assist the Board in achieving them; and
4. perform such other functions as the Board may assign to the Committee from time to time.
5. At least annually, conduct a performance review of the CEO and each Director.

### **DUTIES AND RESPONSIBILITIES**

#### **A. General**

The Committee has developed, and the Board has adopted, written Corporate Governance Guidelines (the “Guidelines”). These Guidelines include provisions relating to:

1. Selection and Composition of the Board;
2. Operation of the Board; and



3. Board interaction with management.

On an ongoing basis, the Committee shall assist the Board in carrying out the Guidelines, shall monitor the compliance by the board and its committees with the Guidelines, and propose appropriate revisions to the Guidelines.

B. Specific

In addition to its general duties, the Committee also shall have certain specific responsibilities. These shall include:

1. Determine whether each Director and prospective Director is an Independent Director (as that term are defined in the Guidelines).
2. Monitor and report to the board whether there is any current relationship between any Independent Director and the Company that adversely affects the independent judgment or actions of the Director.
3. Subject to appropriate actions by the Board and stockholders, assure that the Board contains a substantial majority of Independent Directors.
4. Monitor the size of the Board.
5. Review annually with the Board and Chief Executive Officer the appropriate skills and characteristics required for the Board relative to the skills and characteristics actually represented on the Board. In the event that there is not a satisfactory match, the Committee shall initiate actions designed to create a satisfactory match.
6. Develop lists of desirable Director candidates, screen prospective candidates, and share information concerning the candidates and the process with the Board, soliciting input from other members of the Board.
7. Consider any nomination submitted by the stockholders to the Corporate Secretary in accordance with the Company's Bylaws.
8. Extend to each prospective Director approved by the Board the invitation to stand for election to the Board. The Committee's chairperson will normally extend this invitation.
9. In the event that a Director's principal employment responsibilities change (except for internal promotions within his or her organization), the Director is expected to tender his or her resignation from the Board. The Committee shall recommend to the Board whether or not such resignation should be accepted. If the Director fails to tender his



or her resignation under these circumstances, the Committee shall remind the Director of the provisions of Guideline 8.

10. Review the contribution made by each Director annually and conduct a more comprehensive review once every three years prior to the time when that Director would normally be nominated for reelection. Members of the Committee, however, will not participate in deliberations about their own performance.
11. See that the chairperson of each Board committee reports annually to the full Board an assessment of his or her committee's performance.
12. Review the need for any changes in the number, charters, or titles of Board committees and then discuss the recommendations arising from this review with the full Board.
13. Recommend to the full Board the composition of each committee of the Board and the individual Director to serve as chairperson of each committee.
14. At the beginning of each fiscal year, share with the full Board the Committee's planned agenda for the ensuing year and assure that other Board committees do the same.
15. At the beginning of each fiscal year, the chairperson of the Committee shall consult with the Chief Executive Officer and chairperson of the Board about the routine corporate governance matters to be included in the "Board Calendar" for the year.
16. Recommend to the full Board an officer to be designated as Chief Executive Officer, a Director to serve as Chairperson of the Board, and an Independent Director to be designated as the Lead Director, if the Chairperson of the Board is a member of management.
17. Seek feedback annually from all Directors on the performance of the Chief Executive Officer and the Chairperson of the Board and guide the Board's process of appraising their performance.
18. Review and monitor the succession plan for the Chief Executive Officer and report periodically to the Board on the status of that plan.
19. Assure that other activities prescribed by the Guidelines are carried out or, if not, that it is in the Company's interest for them not to be carried out.

## **PROCEDURES**

### A. Meetings



The Committee shall meet at the call of its chairperson, preferably in conjunction with regular Board meetings. Meetings may, at the discretion of the Committee, include members of management, independent consultants, and such other persons as the Committee shall determine. The Committee, in discharging its responsibilities, may meet privately for advice and counsel with independent consultants, lawyers, or any other persons, including associates of the Company, knowledgeable in the matters under consideration. The Committee may also meet by telephone conference call or by any other means permitted by law or the Company's bylaws,

**B. Action**

A majority of the members of the Committee shall constitute a quorum. The Committee shall act on the affirmative vote of a majority of members present at a meeting at which a quorum is present. Without a meeting, the Committee may act by unanimous written consent of all members.

**C. Rules**

The Committee shall determine its own rules and procedures, including designation of a chairperson pro tempore, in the absence of the chairperson, and designation of a secretary.

**D. Chairperson Responsibilities**

The chairperson of the Committee shall report to the Board on the Committee's determination and shall present recommendations for approval whenever necessary or desirable.

**E. Secretary Responsibilities**

The secretary shall be designated by the Committee and need not be a member of the Committee. The secretary shall attend meetings and prepare minutes.

**F. Fees**

Each member shall be paid the fees set by the Board.