



# Alliance Data Systems Corporation



ADS NYSE

IT Services / Consulting

Market Capitalization USD:

**\$4,720.07 mm**

**CONCERN LEVEL: LOW**

- 1 The CEO's total remuneration is within the typical market range for the relevant industry and market cap.
- 2 The ratio between the CEO's pay and the median pay of the other named executive officers is 3X or less.
- 3 The CEO's annual cash incentives rose or fell in line with annual performance.
- 4 The CEO received no more than one annual cash bonus this fiscal year. 
- 5 The CEO's equity remuneration reflected the company's share price movement over the last five years.
- 6 The company only pays long-term incentives to the CEO for above median performance against a peer group.
- 7 The company's dilution from equity incentives is 10 percent or less.
- 8 Unvested equity lapses when the CEO's employment is terminated. 
- 9 The CEO's potential cash severance payment is capped at two times annual cash remuneration.
- 10 The accrued benefits of the CEO's post-retirement income are within the typical market range for the relevant market cap bracket.

**CEO: Edward J. Heffernan**

**Age: 49**

**CEO Since: 2009**

	2009	2010	2011
<b>Base Salary</b>	\$719,615	\$810,000	\$885,000
<b>Discretionary Bonus</b>	\$5,312	\$127,983	\$129,857
<b>Annual Cash Incentive</b>	\$844,688	\$2,274,791	\$1,970,143
<b>Benefits and Perquisites</b>	\$46,203	\$27,673	\$77,177
<b>TOTAL ANNUAL COMPENSATION</b>	<b>\$1,615,818</b>	<b>\$3,240,447</b>	<b>\$3,062,177</b>
<b>Increase in Post-Retirement Benefits</b>	\$42,026	\$42,018	\$75,058
<b>Stock Option Awards</b>	\$0	\$0	\$0
<b>Stock Awards</b>	\$1,663,200	\$2,638,044	\$3,195,471
<b>TOTAL COMPENSATION</b>	<b>\$3,321,044</b>	<b>\$5,920,509</b>	<b>\$6,332,706</b>
<b>Median of Other Named Executive Officers Total Compensation</b>	\$2,299,351	\$3,023,781	\$3,141,480
<b>Value Realized on Exercise of Stock Option</b>	\$0	\$0	\$0
<b>Value Realized on Vesting of Stock</b>	\$2,109,179	\$3,279,811	\$4,783,655
<b>TOTAL REALIZED EQUITY COMPENSATION</b>	<b>\$2,109,179</b>	<b>\$3,279,811</b>	<b>\$4,783,655</b>

Proxy Date: 20 Apr 2012

Annual Meeting Date: 7 Jun 2012

Equity Reserves: 7.52%

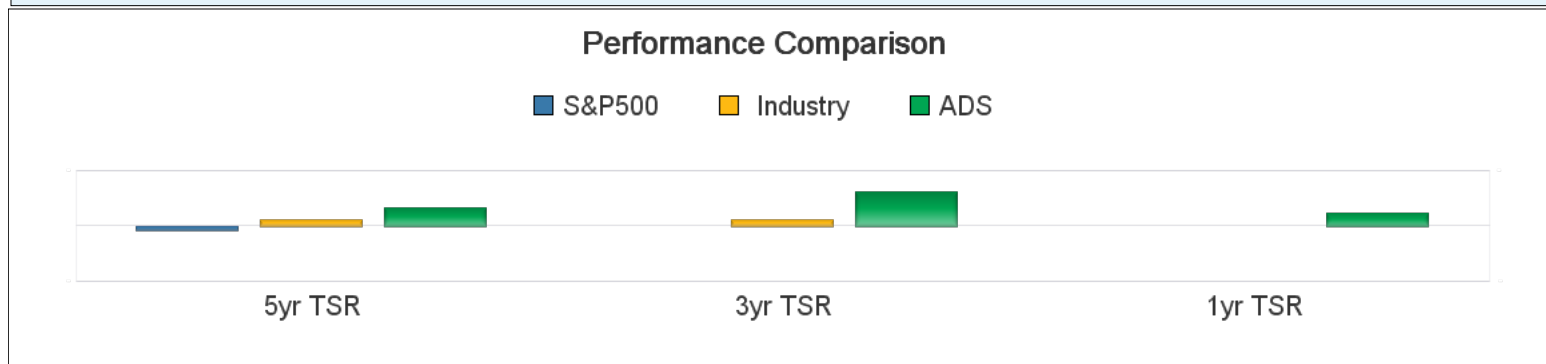
Stock Option Run Rate: 0.00%

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## Peer Comparisons (TRBC) =IT Services / Consulting

Ticker	Company Name	Total Summary CEO Compensation			Market Cap
		2009	2010	2011	
<b>ADS</b>	<b>Alliance Data Systems Corporation</b>	<b>\$3,321,044</b>	<b>\$5,920,509</b>	<b>\$6,332,706</b>	<b>\$4,720,071,624</b>
NTAP	NetApp, Inc.	\$4,693,512	\$12,494,250		\$12,500,472,684
CTXS	Citrix Systems, Inc.	\$5,168,534	\$8,243,347	\$8,171,364	\$10,267,282,312
TDC	Teradata Corp.	\$3,525,119	\$7,334,099	\$6,809,521	\$9,009,099,000
FISV	Fiserv, Inc.	\$5,757,685	\$5,886,908	\$6,716,226	\$7,186,617,328
FFIV	F5 Networks, Inc.	\$7,892,855	\$8,884,962	\$7,707,496	\$5,735,643,331
VRSN	VeriSign, Inc.	\$2,755,739	\$4,564,800	\$5,154,481	\$4,760,684,945

To insure consistency, peer comparisons are based on a combination of TRBC Industry and Sector classifications and company market caps. Missing peer pay figures for 2011 are due to differences in company filing schedules.

### Pay Peer Group

Acxiom Corporation, Convergys Corporation, Discover Financial Services, DST Systems, Inc., Equifax Incorporated, Fidelity National Information Services, Inc., First Data Corporation, Fiserv, Inc., Global Payments Inc., Harte-Hanks, Inc., MasterCard Incorporated, Total System Services, Inc., Visa Incorporated, The Western Union Company.

### Performance Peer Group

NA

## COMPENSATION COMMITTEE MEMBERS

Director	Membership	Age	Gender	Tenure	Independence
Ernest Linn Draper	Chairman	70	Male	7	Outside
Robert A. Minicucci	Member	59	Male	16	Outside Related
Roger H. Ballou	Member	60	Male	11	Outside Related