

# **S1 CORPORATION**

## **CORPORATE GOVERNANCE AND NOMINATING COMMITTEE CHARTER**

### **Purpose**

The Corporate Governance and Nominating Committee (the “Committee”) of the Board of Directors (the “Board”) of S1 Corporation (the “Corporation”) shall identify individuals qualified to become Board members, recommend that the Board select the director nominees for the next annual meeting of stockholders and to fill any vacancies on the Board, consider and make recommendations to the Board concerning the size and composition of the Board, consider from time to time the Board committee structure and makeup, and recommend to the Board retirement policies and procedures affecting Board members. The Committee also shall review the Company’s corporate governance principles and recommend changes as necessary to the Board.

### **Committee Membership**

The Committee shall consist of no fewer than three members of the Board. All members of the Committee shall meet the independence requirements of the Nasdaq Stock Market and any other legal requirements, including requirements under the federal securities laws.

The members of the Committee shall be appointed annually by the Board, may be removed and replaced by the Board, and shall serve until their successors are duly elected and qualified.

### **Committee Authority and Responsibilities**

1. The Committee shall perform the core function of identifying and recommending nominees to the Board for the next annual meeting of stockholders and to fill any vacancies on the Board. This responsibility includes working with the full Board to establish criteria for board membership, reviewing candidates’ qualifications and any potential conflicts with the Corporation’s interests, assessing the contributions of current directors in connection with their re-nomination, and making recommendations to the full Board with respect to these matters and with respect to the removal of a director. In the event that the Corporation is legally required by contract or otherwise to provide third parties with the ability to designate directors, the selection and nomination of such directors need not be subject to the process set forth herein. The Committee shall also consider advice and recommendations for candidates from stockholders, management and others as it deems appropriate. The Committee shall also recommend to the Board, oversee the implementation and effectiveness of, and review Company disclosures concerning policies and procedures relating to the consideration of Board nominee candidates by stockholders.
2. The Committee shall select individuals as director nominees who shall have the highest personal and professional integrity, who shall have demonstrated exceptional ability and judgment and who shall be most effective, in conjunction with the other nominees to the Board, in collectively serving the long-term interests of the Corporation and its stockholders. In selecting director nominees, the Committee should assess the director’s qualifications as independent, as well as

consideration of skills, knowledge, perspective, broad business judgment and leadership, relevant specific industry or regulatory affairs knowledge, business creativity and vision, experience, age and diversity, all in the context of an assessment of the perceived needs of the Board at that time.

3. The Committee shall review the Board's committee structure and recommend to the Board for its approval directors to serve as members of each committee. The Committee shall review and recommend committee composition annually and shall recommend additional committee members to fill vacancies as needed.
4. The Committee shall review the Company's corporate governance principles on an annual basis, or more frequently if appropriate, and recommend changes as necessary to the Board. The Committee shall review and assess the Corporation's compliance with the corporate governance requirements established by the Nasdaq Stock Market and the requirements established under applicable laws and regulations.
5. The Committee is responsible for making recommendations to the Board about succession planning for the Chief Executive Officer.
6. The Committee may delegate its authority to subcommittees and individual members as the Committee deems appropriate; provided that any delegate shall report any actions taken by him or her to the whole Committee at its next regularly scheduled meeting.
7. The members of the Committee shall appoint one of their number as the Chairman. The Chairman shall be responsible for leadership of the Committee, including preparing the agenda, presiding over the meetings, making committee assignments and reporting for the Committee to the Board at its next regularly scheduled meeting following the meeting of the Committee.
8. The Committee shall have the sole authority to retain and terminate any search firm to be used to identify director candidates, including sole authority to approve the search firm's fees and other retention terms. The Committee also shall have authority to obtain advice and assistance from internal or outside legal, accounting or other advisors it determines necessary to carry out its duties.
9. The Committee shall annually review its own performance.
10. The Committee shall review and recommend retirement policies for directors.
11. The Committee shall oversee the annual evaluation process for the Board
12. The Committee shall review and reassess the adequacy of this Charter as appropriate and recommend any proposed changes to the Board for approval.
13. The Committee shall report its actions and recommendations to the Board at the next regularly scheduled meeting of the Board following each Committee meeting.

Adopted by the Board of Directors on November 1, 2006.