

First Data Corporation Corporate Governance Guidelines

The Board of Directors (Board) of First Data Corporation has adopted the following guidelines in furtherance of its continuing efforts to enhance its corporate governance. The Governance, Compensation and Nominations Committee (Committee) will review these guidelines and annually recommend appropriate amendments to the Board to ensure that these guidelines effectively promote the best interest of First Data and First Data shareholders and comply with all applicable laws, regulations and stock exchange requirements.

1.0 Responsibilities of the Board

The Board, which is elected by the shareholders, is the ultimate decision-making body of First Data, except with respect to matters reserved to the shareholders. The Board selects the Chief Executive Officer (CEO) and certain other members of the executive management of First Data, who are charged with directing First Data's business. The primary function of the Board is therefore oversight – defining and enforcing standards of accountability that enable executive management to execute their responsibilities fully and in the interests of shareholders. The Board is committed to establishing and maintaining the highest standards of ethics and integrity as a culture at First Data, and expects First Data's management to ensure that such a tone and culture is followed in all aspects of First Data's operations. Consistent with that function and that culture, the following are the primary responsibilities of the Board:

- Evaluating the performance of First Data and its executive management, which includes (1) overseeing the conduct of First Data's business to evaluate whether it is being effectively managed, including through regular meetings of the Directors without the presence of management; (2) selecting, regularly evaluating and planning for the succession of the CEO and (3) evaluating with the CEO such other members of executive management as the Board deems appropriate, including fixing the compensation of such individuals;
- Reviewing First Data's strategic plans and objectives, including the principal risk exposures of First Data;
- Providing advice and counsel to the CEO and other executive management of First Data;
- Assisting management in the oversight of compliance by First Data with applicable laws and regulations, including in connection with the public reporting obligations of First Data;
- Overseeing management with a goal of ensuring that the assets of First Data are safeguarded through the maintenance of appropriate accounting, financial and other controls;
- Appointing the members of and overseeing any required or appropriate Committees of the Board established for purposes of the execution of any delegated responsibilities of the Board;
- Establishing the form and amount of compensation for Directors, taking into account their responsibilities as such and as members of any Committee of the Board; and

- Evaluating the overall effectiveness of the Board, as well as selecting and recommending to shareholders for election an appropriate slate of candidates for the Board.

In discharging their responsibilities, Directors must exercise their business judgment to act in a manner that they believe in good faith is in the best interests of First Data and its shareholders. Directors are also expected to spend the necessary time to discharge their responsibilities appropriately and to ensure that other existing or future commitments do not materially interfere with their responsibilities as members of the Board. The Board has the authority to hire independent legal, financial, or other advisors as they may deem necessary.

2.0 Composition of Board

- 2.1 Selection of New Directors.** The Board is responsible for nominating Directors for election by the shareholders and filling any new positions or vacancies on the Board that may occur. The Committee is responsible for identifying, screening, and recommending candidates to the Board for Board membership. Shareholders may also propose nominees for consideration by the Committee. In formulating its recommendations, the Committee will consider recommendations offered by any shareholder, Director, or officer of First Data.
- 2.2 Membership Criteria.** Nominees for Director shall be selected on the basis of experience, integrity, skills, diversity, independence, ability to make independent analytical inquiries, understanding of First Data’s business environment, and willingness to devote adequate time to Board duties -- all in the context of an assessment of the perceived needs of the Board at that point in time. The Board believes that its membership should reflect a diversity of experience, gender, race, ethnicity, and age.
- 2.3 Independent Directors.** As of the latest update of these Guidelines, First Data is a “controlled company” within the meaning of the corporate governance listing standards of the New York Stock Exchange (NYSE). Until such time as it is not a “controlled company,” First Data will elect, as permitted by the NYSE listing standards, not to comply with the requirements to have a majority of independent Directors on the Board or to have the Committee consist entirely of independent Directors. The Audit Committee, however, shall have a fully independent committee within one year of the effective date of First Data’s registration statement on Form S-1 in connection with the initial public offering of First Data’s common stock.
- 2.4 Definition of Independent Directors.** In making independence determinations, the Board will observe all applicable requirements, including the corporate governance listing standards established by the NYSE. The Board will carefully consider all relevant facts and circumstances in making an independence determination. To be considered “independent” for purposes of the Director qualification standards, (1) the Director must meet the bright-line independence standards under the NYSE listing standards, and (2) the Board must affirmatively determine that the Director otherwise has no material relationship with First Data, directly or as an officer, shareholder, or partner of an organization that has a relationship with First Data. In each case, the Board shall broadly consider all relevant facts and circumstances. Each year the Board shall review each Director’s relationships to First

Data and make an affirmative determination which Directors are independent. As the confirm is independence from management, the Board does not view ownership of even a significant amount of First Data stock, by itself, as a bar to an independence finding.

2.5 Size of the Board. The Board believes that it should generally have no fewer than eight and no more than fifteen Directors. This range permits diversity of experience without hindering effective discussion or diminishing individual accountability.

2.6 Leadership. The Board annually elects one of its members to serve as Chairperson of the Board. The Chairperson shall preside at all meetings of the Board and shareholders, and shall perform such other duties, and exercise such powers, as prescribed in the bylaws or by the Board from time to time. First Data's bylaws do not require that the same person be the Chairperson and CEO. The Board believes that whether to have the same person occupy the offices of Chairperson and CEO should be decided by the Board, from time to time, in its business judgment after considering relevant factors, including the specific needs of the business and what is in the best interests of First Data's shareholders. At least one executive session of the non-management Directors each year will include a review of the Board's leadership structure and consideration of whether the position of Chairperson of the Board should be held by the CEO or be separated.

If the individual elected as Chairperson is also an employee of First Data, the Board believes that a Lead Director should be appointed to help ensure robust independent leadership on the Board. When this is the case, the non-management Directors shall elect a Lead Director. The Lead Director shall assist in optimizing the effectiveness of the Board by performing the duties described below and such other duties as determined by the Board or non-management Directors:

- Presides at all meetings of the Directors and any Board meeting when the Chairperson and the CEO are not present, including meetings or executive sessions of the non-management Directors;
- Calls meetings of the non-management Directors, as appropriate;
- Provides feedback from executive sessions of the non-management Directors to the Chairperson, CEO, and members of senior management, as appropriate;
- Serves as a liaison and facilitator between the non-management Directors and the Chairperson and the CEO, as appropriate;
- Before the Board meetings, advises the Chairperson and CEO regarding the information to be provided to Directors, including the quality, quantity, and timeliness of such information;
- Advises the Chairperson and CEO regarding Board meeting agenda items and the Board's calendar, including the number and frequency of Board meetings, to ensure that there is sufficient time for discussion of all agenda items. The Lead Director (and any Director) may request inclusion of additional agenda items;
- Consults with the Chairperson and the Committee on the appointment of chairs and members for board committees;
- Collaborates with the Committee on the evaluation of the CEO;

- Collaborates with the Committee on matters related to Board effectiveness and independence including the performance and structure of the Board and its committees, and the performance of individual Directors; and
- Together with the Chairperson, recommends to the Board and the Board committees the retention of advisers and consultants who report directly to the Board.

- 2.7 Change in Job Responsibility.** It is the sense of the Board that when a Director's principal occupation or business association changes substantially from the position he or she held when originally invited to join the Board, the Director shall notify, as soon as practical, the Committee. The Committee will review whether the new occupation, or retirement, of the Director is consistent with the specific rationale for originally selecting that individual and the guidelines for board membership. The Committee will recommend to the Board action to be taken based on the circumstances of retirement, if that is the case, or in the case of a new position, the responsibility and type of position, and industry involved.
- 2.8 Other Directorships and Board of Director Committee Memberships.** Each Director is expected to ensure that other existing and planned future commitments do not materially interfere with the member's service as a Board or Board committee member. Independent Directors are encouraged to limit the number of other boards (excluding non-profit) and board committees on which they serve and must advise the Chairperson of the Board before accepting an invitation to serve on another board or board committee.
- 2.9 Mandatory Retirement Age.** The Board currently does not believe that a mandatory retirement age for Directors is in the best interest of First Data but from time to time will review the desirability of establishing one.
- 2.10 Term Limits.** The Board currently does not believe that term limits are in the best interest of First Data because they could deprive the Board of the service of directors who have developed, through valuable experience over time, an increasing into First Data and its operations, but from time to time will review the desirability of establishing term limits.
- 2.11 Board Compensation.** The Committee periodically will review the status of Board compensation for non-management Directors compared to other large U.S. companies. As part of a Director's total compensation and to create a linkage with corporate performance, the Board believes that a meaningful portion of a Director's compensation should be paid in First Data stock or options to purchase First Data stock. First Data's executive officers shall not receive additional compensation for their service as Directors. Changes in Board compensation, if any, should come at the suggestion of the Committee, but with full discussion and approval by the Board.
- 2.12 Orientation of New Directors.** Management, working with the Board, shall provide for an orientation process for new Directors that includes background material, meetings with senior management, and visits to Company facilities.
- 2.13 Continuing Education.** The Board encourages all Directors to stay abreast of developing trends for Directors from the variety of sources available. First Data will bear all reasonable expenses in connection with such continuing education.

3.0 Board Meetings

3.1 Frequency of Meetings. There shall be a minimum of four regularly scheduled meetings of the Board each year. Directors are expected to attend all meetings.

3.2 Selection of Agenda Items for Board Meetings. The Chairperson of the Board will establish the agenda for each Board meeting. Each Board member is free to suggest the inclusion of item(s) on the agenda as well as raise subjects that are not specifically on the agenda at any meeting. Certain items pertinent to the oversight and monitoring function of the Board will be brought to the Board regularly. The Board will review First Data's long-term strategic plans and the most significant financial, accounting, and risk management issues facing First Data at least one Board meeting each year.

3.3 Board Materials Distributed in Advance. As a general rule, presentations on specific subjects should be sent to the Board members in advance so that Board meeting time may be conserved and discussion time focused on questions that the Board has about the material. On those occasions when prior distribution is not possible or not recommended, the presentation will be distributed and discussed at the meeting. Directors are expected to review all advance meeting materials prior to the meeting.

3.4 Meetings of Non-Management Directors and Independent Directors. At the conclusion of every Board meeting, the Board will have an executive session without any management Directors present. The Lead Director will preside at such executive sessions. Periodically (and at least annually), the independent Directors will have executive sessions without any non-independent Directors present. The Chairperson of the Risk Committee will preside at such executive sessions. During executive sessions, the non-management Directors or independent Directors, as the case may be, shall have complete access to such Company personnel as they may request. First Data will publicly disclose the name of the presiding Director and a method for communicating directly with them.

3.5 Assessing the Board's Performance. The Board, the Audit Committee, the Governance, Compensation and Nominations Committee, and the Risk Committee shall be responsible for conducting annual self-evaluations to determine whether the Board and Committees are functioning effectively. The Governance, Compensation and Nominations Committee may choose, however, to forgo an annual evaluation of itself under the exemption provided to "controlled companies" under the rules of the NYSE for so long as First Data remains a controlled company.

3.6 Actions by Consent. Any decision or determination of the Board or any Board Committee reduced to writing and signed or electronically approved by all of the members of the Committee shall be fully as effective as if it had been made at a meeting duly called and held.

4.0 Board Committee Matters

4.1 Number, Structure and Independence of Committees. The Board currently has three Committees: the Audit Committee, the Governance, Compensation and Nominations

Committee, and the Risk Committee. Each committee has its own charter, which sets forth the responsibilities of the committee, the qualifications and procedures of the committee and how the committee will report to the Board. From time to time, the Board may form a new committee or disband a current committee depending upon the circumstances.

- 4.2 Assignment and Rotation of Committee Members.** The Board shall be responsible for appointing the chairs and members to the committees on an annual basis. The Board shall annually review the committee assignments and shall consider the rotation of chairs and members with a view toward balancing the benefits derived from continuity against the benefits derived from the diversity of experience and viewpoints of the various Directors. Committee members are expected to attend the meetings of committees on which they serve.
- 4.3 Frequency and Length of Committee Meetings.** The committee chairperson, in consultation with committee members, will determine the frequency and length of the meetings of the committee consistent with the committee's charter and First Data's needs.
- 4.4 Committee Agenda.** The committee chairperson, in consultation with the appropriate members of the committee and management, will develop the committee's agenda.
- 5.0 Board Relationship to Senior Management and Independent Advisors**
- 5.1 Board Access to Senior Management and Independent Advisors.** Board members have complete access to management and, as necessary and appropriate, independent advisors. Board members shall use sound business judgment to be sure that this contact is not distracting to the business operation of First Data.
- 5.2 Non-Director Attendance at Board Meetings.** The Board welcomes the regular attendance of senior management at each Board meeting.
- 5.3 Board's Interaction with Institutional Investors, Press, Customers, Etc.** The Board believes that management generally should speak for First Data. It is suggested that each Director refer inquiries from institutional investors, the press or customers to management. If comments from the Board are appropriate, they should, in most circumstances, come from the Chairperson.
- 5.4 Formal Evaluation of the CEO.** The Board has ultimate responsibility for determining the goals and objectives of First Data and of the CEO as well as evaluating the performance of First Data and the CEO relative to those goals and objectives. To assist the Board in discharging that responsibility and with input from the Board, the Committee shall conduct a formal evaluation of the CEO annually. The evaluation should be based on objective criteria including, among other criteria, performance of the business, accomplishment of long-term strategic objectives and development of management. The Chairperson of the Committee shall report the results of the evaluation at an executive session of the non-management Directors.

- 5.5 Succession Planning.** As requested by the Board, the CEO shall prepare and distribute to the Board a report on succession planning. In connection with the succession plan, the CEO should make available to the Board his or her recommendations and evaluations of potential successors. If selection of a new CEO should be necessary, the Board shall consider the recommendations but make an independent assessment of potential internal and external candidates in selecting the successor.
- 6.0 Other**
- 6.1 Ethics and Conflicts of Interest.** The Board expects its directors, as well as officers and employees, to act ethically at all times. First Data has adopted an Employee Code of Conduct, applicable to Directors who are employees of First Data, and a Director Code of Conduct, applicable to non-management Directors. Directors should be familiar with the Employee Code of Conduct and Director Code of Conduct, as applicable. In addition, to address potential conflicts of interest, the Board has adopted a Related Party Transactions Policy that requires notice to and review by disinterested directors of transactions that would require disclosure under Item 404(a) of Regulation S-K under the Exchange Act between First Data or any of its subsidiaries, on the one hand, and any director, nominee for director, executive officer, significant stockholder and/or any of their immediate family members, on the other hand.
- 6.2 Communications.** An interested party may communicate with the Chairperson of any of the Audit and Governance, Compensation Committee or to the non-management directors or independent directors as a group, and shareholders may propose an individual to the Committee for its consideration as a nominee for election to the Board by writing to First Data Secretary, c/o General Counsel Office, First Data Corporation, 225 Liberty Street, 29th Floor, New York, New York 10281.