CORPORATE GOVERNANCE GUIDELINES
for
HEARTLAND PAYMENT SYSTEMS, INC.

1. **Purpose of Guidelines.** The following guidelines have been adopted by the Board of Directors ("the "Board") of Heartland Payment Systems, Inc. (the "Company"). Together with the Company's Certificate of Incorporation, Bylaws, Code of Business Conduct and Ethics and Code of Business Conduct and Ethics for Members of the Board of Directors and the charters of the committees of the Board, these Corporate Governance Guidelines provide a framework for the governance of the Company.

2. **Role of Board of Directors and Management.** The Board of the Company is elected by the Company's stockholders to oversee the actions of management and to assure that the long-term interests of the Company's stockholders are being served. Both the Board and management recognize that the long-term interests of stockholders are advanced by responsibly addressing the concerns of other stakeholders and interested parties, including employees, customers, suppliers, government officials and the public at large. Management speaks for the Company. Directors will refer all inquiries from institutional investors, the press or customers to the CEO.

3. **Board Functions.** The Board reviews and discusses reports by management on the performance of the Company, the Company's plans and prospects, as well as immediate issues facing the Company. There will be four regularly scheduled meetings of the Board each year. Directors are expected to attend all scheduled board and committee meetings and review all meeting materials in advance of such meetings. In addition to its general oversight of management, the Board is also responsible for assuring that:

   - there is continuity of leadership;
   - management develops sound business strategies;
   - adequate capital and managerial resources are available to implement the business strategies adopted;
   - the Company's system of financial and internal controls are adequate;
   - the Company's business is conducted in conformity with applicable laws and regulations; and
   - the assets of the Company are utilized most effectively and capital expenditures and appropriations are reviewed.

4. **Director Selection and Board and Committee Composition**. Directors should possess the highest personal and professional ethics, integrity and values, and be committed to representing the long-term interests of the stockholders. The Board has responsibility for reviewing its membership on a regular basis to assure that it possesses appropriate skills and characteristics.

   Membership Criteria. Directors should possess such attributes and experience as are necessary to provide a broad range of personal characteristics including diversity, management skills, and technological and business experience. Directors must be willing to devote sufficient time to carrying out their duties and responsibilities effectively, and should be committed to serve on the Board for an extended period of time. Directors should offer their resignation in the event of any significant change in their personal circumstances, including a change in their principal job responsibilities.

Without specific approval from the Board, no director may serve on more than six public company boards (including the Company's Board) and no member of the Audit Committee may serve on more than three public company audit committees (including the Company's Audit Committee). In addition, directors who also serve as CEOs or in equivalent positions generally should not serve on more than two public company boards, including the Company's Board, in addition to their employer's board. In calculating service on a public company board or audit committee, service on a board or audit committee of a parent and its substantially owned subsidiary counts as service on a single board or audit committee. Any Audit Committee member's service on more than three public company audit committees will be subject to the Board's determination that the member is able to effectively serve on the Company's Audit Committee and the disclosure of that determination in the Company's annual proxy statement. The Governance and Nominating Committee and the Board will take into account the nature of and time involved in a director's service on other boards in evaluating the suitability of individual directors and making its recommendations to Company shareholders. Service on boards and/or committees of other organizations should be consistent with the Company's conflict of interest policies.

Director Independence. A majority of the directors will be independent directors, as independence is determined by the Board, based on the guidelines set forth below. Directors who do not satisfy the Company's independence guidelines also make valuable contributions to the Board and to the Company by reason of their experience and wisdom.

For a director to be considered independent, the Board must determine that the director does not have any direct or indirect material relationship with the Company. The Board has established guidelines to assist it in determining director independence, which conform to or are more exacting than the independence requirements in the New York Stock Exchange listing requirements (the "NYSE rules"). In addition to applying these guidelines, the Board will consider all relevant facts and circumstances in making an independence determination, and not merely from the standpoint of the director, but also from that of persons or organizations with which the director has an affiliation.

The Board will make and publicly disclose its independence determination for each director when the director is first elected to the Board and annually thereafter for all nominees for election as directors. If the Board determines that a director who satisfies the NYSE rules is independent even though he or she does not satisfy all of the Company's independence guidelines, this determination will be disclosed and explained in the next proxy statement.

In accordance with the NYSE rules, independence determinations under the guidelines in section (a) below will be based upon relationships during the 36 months preceding the determination. Similarly, independence determinations under the guidelines in section (b) below will be based upon the extent of commercial relationships during the last three completed fiscal years preceding the determination.

(a) The Board will not determine a director to be independent if:

  (i) the director is employed by the Company, or an immediate family member is an executive officer of the Company;

  (ii) the director receives any direct compensation from the Company, other than director and committee fees and pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service);

  (iii) an immediate family member who is a Company executive receives more than $100,000 per year in direct compensation from the Company;

  (iv) the director is affiliated with or employed by the Company's independent auditor, or an immediate family member is affiliated with or employed in a professional capacity by the Company's independent auditor; or

  (v) a Company executive is on the compensation committee of the board of directors of a company which employs the Company director or an immediate family member as an executive officer.

(b) The Board will not determine a director to be independent if, at the time of the independence determination, the director is an executive officer or employee, or an immediate family member is an executive officer, of another company that does business with the Company and the sales by that company to the Company or purchases by that company from the Company, in any single fiscal year during the evaluation period, are more than the greater of one percent of the consolidated gross revenues of that company or $1 million.

(c) The Board will not determine a director to be independent if, at the time of the independence determination, the director is an executive officer or employee, or an immediate family member is an executive officer, of another company which is indebted to Company, or to which the Company is indebted, and the total amount of either company's indebtedness to the other at the end of the last completed fiscal year is more than one percent of the other company's total consolidated assets.

(d) The Board will not determine a director to be independent if, at the time of the independence determination, the director serves as an officer, director or trustee of a charitable organization, and the Company's discretionary charitable contributions to the organization are more than one percent of that organization's total annual charitable receipts during its last completed fiscal year.

Size of the Board. Directors are elected each year by the stockholders at the annual meeting of Stockholders. Stockholders may propose nominees for consideration by the Nominating and Governance Committee by submitting the names and supporting information to: Secretary, Heartland Payment Systems, Inc., 90 Nassau Street, Princeton, New Jersey 08542. The Board proposes a slate of nominees to the stockholders for election to the Board. The Board also determines the number of directors on the Board provided that there is at least one. Between annual stockholder meetings, the Board may elect directors to serve until the next annual meeting.

Board Committees. The Board has established the following committees to assist the Board in discharging its responsibilities: (i) Audit Committee; (ii) Compensation Committee; and (iii) Nominating and Governance Committee. The current charters and key practices of these committees are published on the Company's website, and will be mailed to stockholders on written request. The committee chairs report the highlights of their meetings to the full Board following each meeting of the respective committees. The committees occasionally hold meetings in conjunction with the full Board.

Board Committee Independence. In addition to the requirement that a majority of the Board satisfy the independence standards discussed above, members of the Audit Committee must also satisfy an additional NYSE independence requirement. Specifically, they may not accept directly or indirectly any consulting, advisory or other compensatory fee from the Company other than their directors' compensation.

Meetings of Non-Employee Directors. The Board will have regularly scheduled meetings for the non-employee directors without management present. The directors have determined that the chairman of the Nominating and Corporate Governance Committee will preside at such meetings, and will serve as the Chairman in performing such other functions as the Board may direct, including advising management on the agenda for Board meetings. The non-employee directors may meet without management present at such other times as determined by the Chairman.

Board Self Evaluation. The Board and each of the committees will perform an annual self-evaluation. Each November, the directors will be requested to provide their assessments of the effectiveness of the Board and the Committees on which they serve. The individual assessments will be discussed with the Board and the committees in December.

Setting Board Agenda. The Chairman of the Board shall be responsible for establishing the Board agenda for each Board meeting. Agenda items include those items required for necessary corporate governance and operational oversight such as strategic plans and budgets. All directors are encouraged to make suggestions for agenda items.

Conflicts of Interest. The Board expects the Company's directors, as well as the Company's officers and employees, to act ethically at all times and to acknowledge their adherence to the policies comprising the Company's codes of conduct and ethics. The Company will not make any personal loans or extensions of credit to directors or executive officers. No non-employee director may provide personal services for compensation to the Company, other than in connection with serving as a Company director. If an actual or potential conflict of interest arises for a director, the director shall promptly inform the CEO and the Chairman. If a significant conflict exists and cannot be resolved, the director should resign. All directors will recuse themselves from any discussion or decision affecting their personal, business or professional interests. The Board shall resolve any conflict of interest question involving the CEO or a Section 16 officer, and the CEO shall resolve any conflict of interest issue involving any other officer of the Company.

Board Compensation. The Nominating and Governance Committee shall have the responsibility for recommending to the Board compensation and benefits for non-employee directors. In discharging this duty, the Committee shall review, at least annually, the level of the Company's director compensation in relation to director compensation of companies of comparable size, industry and complexity.

Succession Plan. The Board shall approve and maintain a succession plan for the CEO and senior executives, based upon recommendations from the Compensation Committee.

Term Limits; Retirement Age. The Board does not believe it should limit the number of terms for which an individual may serve as a director. Directors who have served on the Board for an extended period of time are able to provide valuable insight into the operations and future of the Company based on their experience with and understanding of the Company's history, policies and objectives. The Board believes that, as an alternative to term limits, it can ensure that the Board continues to evolve and adopt new viewpoints through the evaluation and nomination process described in these guidelines.

The Board believes that 75 is an appropriate retirement age for outside directors. Directors generally will not be nominated for re-election after he or she has reached the age of 75.

Director Orientation. The Board has established several channels for providing directors with information about the Company and their responsibilities as directors. New directors participate in a director orientation program. Each new director shall, preferably within six months of election to the Board, spend a day at corporate headquarters for personal briefing by senior management on the Company's strategic plans, its financial statements, and its key policies and practices. Directors are also provided opportunities for continuing education on subjects that would assist them in discharging their duties.

5. Board Relationship to Senior Management and Access to Independent Advisors

Annual Compensation Review of Senior Management. The Compensation Committee shall annually approve the goals and objectives for compensating the CEO. That committee shall evaluate the CEO's performance in light of these goals before setting the CEO's salary, bonus and other incentive and equity compensation. The Committee shall also annually approve the compensation structure for the Company's officers, and shall evaluate the performance of the Company's senior executive officers before approving their salary, bonus and other incentive and equity compensation.

Access to Senior Management. Non-employee directors are encouraged to contact senior managers of the company without senior corporate management present.

Access to Independent Advisors. The Board and its committees shall have the right at any time to retain and terminate independent outside auditors and financial, legal or other advisors, and the Company shall provide appropriate funding, as determined by the Board or any committee, to compensate such independent outside auditors or advisors, as well as to cover the ordinary administrative expenses incurred by the Board and its committees in carrying out their duties.

6. Reporting of Concerns to Non-Employee Directors or the Audit Committee. The Audit Committee and the non-employee directors have established the following procedures to enable anyone who has a concern about the Company's conduct, or any employee who has a complaint about the Company's accounting, internal accounting controls or auditing matters, to communicate that concern directly to the chairman of the Audit Committee, currently George F. Raymond. Such communications may be confidential or anonymous, and may reported by phone at (239) 948-9453 or (856) 235-8379, or in writing to the Company's executive offices at 90 Nassau Street, Princeton, New Jersey 08542. The mailing envelope should contain a clear notation indicating the enclosed letter is a "Stockholder/Interested Party – Audit Committee Communication". All such communications shall be promptly reviewed in the same way that other concerns are addressed by the Company. The chairman of the Audit Committee may direct that certain matters be presented to the Audit Committee or to the full Board and may direct special treatment, including the retention of outside advisors or counsel, for any concern addressed to them. The Company's Code of Business Conduct and Ethics for Directors, Officers and Employees prohibits any retaliation against any person who acts in good faith in raising or helping to resolve an integrity concern.