

ALLIANCE DATA SYSTEMS CORPORATION

RISK COMMITTEE CHARTER

Function

The Risk Committee (the “*Committee*”) is a committee of the Board of Directors (the “*Board*”) of Alliance Data Systems Corporation (the “*Company*”). Its primary function is to assist the Board in fulfilling its oversight responsibilities with respect to the Company’s Enterprise Risk Management Framework, including: (1) the significant policies, guidelines and practices related to credit, market, liquidity, strategic, reputational, operational and other risks as may be identified by the Committee from time to time; (2) risks pertaining to capital management; and (3) the performance of the enterprise risk management function, including the Chief Risk Officer.

Responsibilities

In addition to such other duties and responsibilities as the Board may from time to time assign, the Committee shall:

General

- Review the disclosure regarding risk management contained in the Company’s annual and quarterly reports to be filed with the Securities and Exchange Commission.
- Regularly report Committee actions to the Board with such recommendations as the Committee may deem appropriate.
- Evaluate the performance of the Committee at least annually and report the results to the Board.
- Review the Committee’s Charter annually and recommend any proposed changes to the Board for approval.

Oversight of Enterprise Risk Management

- Oversee the Company’s risk assessment, enterprise risk management governance and related practices, guidelines and policies.
- Review and approve, and recommend to the Board for approval, annually or more frequently as appropriate, the Company’s Enterprise Risk Management Framework and Enterprise Risk Appetite Statements.
- Review and approve (and as appropriate recommend to the Board for approval), annually or when material changes are proposed, the Company’s significant enterprise risk management-related strategies, guidelines, policies and risk limits and receive reports on the Company’s adherence to significant limits.
- Review and assess, quarterly or more frequently as appropriate, whether the Company is operating in accordance within its established risk appetite and assess the alignment of the

Company's strategy and capital plans with the Company's Appetite Statements.

- Review, quarterly or more frequently as appropriate, major known and emerging risk exposures of the Company and each of its business units, the metrics used to measure and monitor and steps taken to manage such risks, management's views on acceptable and appropriate levels of risk exposure, and any significant risk management deficiencies and actions taken to remediate such deficiencies.
- Review and discuss, quarterly or more frequently as appropriate, and in coordination with the risk committee of any wholly-owned bank subsidiary of the Company (any "**Bank**"), the risk assessment and risk management governance and related practices, guidelines and policies of any Bank.
- Review, quarterly or more frequently as appropriate, and in coordination with the risk committee of any Bank, the Bank's liquidity, risk appetite, regulatory capital and ratios and internal capital adequacy assessment processes and loan loss methodology.
- Receive and review, quarterly or more frequently as appropriate, reports and information from management, the Company's independent auditors, regulators and outside experts, as appropriate, to determine whether the Company is operating in accordance with its established Enterprise Risk Framework and risk appetite and review periodic reports on other selected risk topics as the Committee deems appropriate or as may be necessary to fulfill the Committee's responsibilities described herein, including without limitation:
 - Results of risk management reviews and assessments, summaries of regulatory examination reports pertaining to matters within the purview of the Committee and other significant reports to management prepared by the enterprise risk management function;
 - Summary results of remediation efforts and significant remediation plans;
 - Matters relating to the Company's information technology, cybersecurity and physical security risks (and steps taken by management to control such risks), privacy compliance and disaster recovery plans and procedures;
 - Matters relating to operational risk;
 - Matters relating to fraud management;
 - Results of internal audit's reviews and assessments of the Company's enterprise risk management function;
 - Risks related to human capital management (and steps taken by management to control such risks);
 - Capital, liquidity and funding matters and related risks (and steps taken by management to control such risks); and

- Risks related to data quality including data aggregation and reporting.
- Take action on any other matters or items that the Board may designate.

Oversight of the Enterprise Risk Management Function

- Oversee the activities of the enterprise risk management function.
- Review and approve the appointment, replacement and compensation, and annually evaluate the performance, of the Chief Risk Officer, who shall report functionally to the Committee and its Chairperson and administratively to the Company's Chief Executive Officer (the "**CEO**") (or such other executive leader as the CEO may from time to time designate).
- Review the qualifications of senior-level enterprise risk management staff and the adequacy of staffing of the enterprise risk management function to appropriately perform its duties.
- Discuss with management and the Chief Risk Officer any annual enterprise risk management plan, the responsibilities, budget, activities and staffing of the enterprise risk management function, and any recommended changes in their planned scope.
- Review the independence, authority and effectiveness of the enterprise risk management function and facilitate the annual evaluation of the Chief Risk Officer.

Compliance and Regulatory Oversight Responsibilities

- Review and oversee the Company's compliance with applicable federal, state and local laws and regulations and obtain reports from management and the Company's senior internal audit executive.
- Establish procedures for the receipt, retention, and treatment of complaints received by the Company regarding ethics, legal or other matters and the confidential, anonymous submission by employees of concerns regarding the foregoing.
- Discuss with the Company's General Counsel legal matters that may have a material impact on the Company.
- Review and discuss with management, at least annually, the effectiveness of the Company's Bank Secrecy Act/anti-money laundering compliance program, including sanctions.
- Oversee and receive reports on ongoing projects addressing regulatory matters, including regular updates on significant long-term projects being implemented in response to particular regulatory compliance matters or concerns, except to the extent another Committee of the Board receives reports on specific regulatory projects.
- Receive periodic briefings on the key controls and processes in critical business or functional

areas, in particular with respect to areas that are subject to regulatory oversight.

- Receive periodic briefings on existing or proposed domestic or foreign laws or regulations that could significantly impact the Company's business activities.
- Receive and discuss reports from management, on an annual and as needed basis, relating to:
 - significant reported claims of ethical violations;
 - compliance with internal control and compliance reporting requirements;
 - compliance with Federal Financial Institutions Examination Handbook III.C.4 (Business Continuity);
 - fraud and operating losses;
 - internal and external fraud incidents and associated control enhancements and remediation plans; and
 - the Company's insurance coverages.

Membership

The Committee shall consist of at least three members of the Board, a majority of whom must have been deemed independent by the Board and one or more of whom must have experience in identifying, assessing and managing the risk exposures of large, complex companies. The members of the Committee and the Chairperson shall be appointed by and serve at the pleasure of the Board. Committee members may be removed at any time, with or without cause, by the Board.

While the Committee has the responsibilities and authority set forth in this Charter, it is not the duty of the Committee to design, implement or maintaining an effective enterprise risk management program, or to assure compliance with laws and regulations. These are the responsibilities of management.

The duties and responsibilities of a member of the Committee are in addition to those duties set out for a member of the Board. Nothing contained in this Charter is intended to expand applicable standards of liability under statutory or regulatory requirements for the directors of the Company or members of the Committee. The purposes and responsibilities outlined in this Charter are meant to serve as guidelines rather than as inflexible rules, and the Committee is encouraged to adopt such additional procedures and standards as it deems necessary from time to time to fulfill its responsibilities.

Meetings and Operations

The Committee shall meet at least four times per year or more frequently as circumstances require.

The Committee shall meet periodically with management, and with the Chief Risk Officer in executive sessions apart from management. The Committee may invite to its meetings or receive pertinent information from any officer or other employee of the Company, the Company's outside legal counsel or such other persons as it deems appropriate in order to carry out its duties and responsibilities. The Committee may meet jointly with the board or any committee of any bank subsidiary of the Company.

Minutes of each meeting are to be prepared and sent to Committee members and the Company's directors who are not members of the Committee. If the secretary or assistant secretary of the Company has not taken the minutes, the minutes should be sent to him or her for permanent filing after approval.

Authority

The Committee shall have the power to conduct or authorize investigations into any matters within its duties and responsibilities as set forth in this Charter. The Committee is empowered to approve and amend policies and programs within its purview, and, with respect to policies and programs that the Board has reserved its authority to review and approve, to recommend approval or amendment of such policies or programs to the Board. The Committee has the authority to retain, at the Company's expense, independent legal, accounting, and other advisors, as the Committee determines necessary or appropriate to assist with the execution of its duties and responsibilities as set forth in this Charter. The Committee shall have the sole authority to retain, oversee the work of, and terminate any such advisors and to approve the fees and other retention terms of any such advisors. The Company shall provide appropriate funding, as determined by the Committee, for the payment of (a) compensation to legal, accounting or other advisors engaged by the Committee and (b) ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties. The Committee shall have unrestricted access to members of management and all information relevant to its responsibilities. The Committee may form and delegate authority to subcommittees comprised of one or more members of the Committee.

June 10, 2020