

CHORDIANT SOFTWARE, INC.

CHARTER OF THE NOMINATING AND CORPORATE GOVERNANCE COMMITTEE

ORGANIZATION:

The Nominating and Corporate Governance Committee (the “*Committee*”) of the Board of Directors (the “*Board*”) of Chordiant Software, Inc., a Delaware corporation (the “*Company*”), shall consist of at least two (2) members of the Board. No Committee member shall be an employee of the Company and each member shall be free from any relationship that would interfere with the exercise of his or her independent judgment, as determined by the Board, in accordance with the applicable independence requirements of The Nasdaq Stock Market (“*Nasdaq*”). The Board shall appoint the members of the Committee and designate the Committee chairperson. The Board shall fill vacancies occurring on the Committee.

STATEMENT OF POLICY:

The purpose of the Committee shall be to (i) oversee all aspects of the Company’s corporate governance functions on behalf of the Board; (ii) make recommendations to the Board regarding corporate governance issues; (iii) identify, review and evaluate candidates to serve as directors of the Company consistent with criteria approved by the Board and review and evaluate incumbent directors; (iv) serve as a focal point for communication between such candidates, non-committee directors and the Company’s management; (v) recommend to the Board candidates for selection to the Board; and (vi) make other recommendations to the Board regarding affairs relating to the directors of the Company.

OPERATING PRINCIPLES AND PROCESSES:

In fulfilling its function and responsibilities, the Committee should give due consideration to the following operating principles and processes:

- *Communication* – Regular and meaningful contact throughout the year with the Board, committee chairpersons, members of senior management and independent professional advisors to the Board and its various committees, as applicable, is viewed as important for strengthening the Committee’s knowledge of relevant current and prospective corporate governance issues.
- *Committee Education/Orientation* – Developing with management and participating in a process for systematic review of important corporate governance issues and trends in corporate governance practices that could potentially impact the Company will enhance the effectiveness of the Committee.
- *Resources* – The Committee shall be authorized to access such internal and external resources as the Committee deems necessary or appropriate to fulfill its defined responsibilities, including engagement of independent counsel, consultants and other professional advisors, as well as sole authority to retain and terminate executive search firms to help identify director candidates. The Committee shall have sole authority to approve fees, costs and other terms of engagement of such outside resources. The Committee shall have the authority to perform such other functions, and shall have such powers, as may be necessary or appropriate in the efficient and lawful discharge of its responsibilities hereunder.

- *Reporting to the Board* – The Committee, through the Committee chairperson, shall report all material activities of the Committee to the Board from time to time, or whenever so requested by the Board.

RESPONSIBILITIES:

The operation of the Committee will be subject to the provisions of the Bylaws of the Company and the Delaware General Corporation Law, each as in effect from time to time. The Committee will have the full power and authority to carry out the following primary responsibilities or to delegate such power and authority to one (1) or more subcommittees of the Committee:

- *Director Nominations* – The Committee has the primary responsibility of identifying, reviewing and evaluating candidates to serve on the Company’s Board, including consideration of any potential conflicts of interest as well as applicable independence and experience requirements. The Committee also shall have the primary responsibility for reviewing, evaluating and considering the recommendation for nomination of incumbent directors for re-election to the Board as well as monitoring the size of the Board. The Committee shall also recommend to the Board candidates for selection to the Board. The Committee also shall have the power and authority to consider recommendations for Board nominees and proposals submitted by the Company’s stockholders and to establish any policies, requirements, criteria and procedures, including policies and procedures to facilitate stockholder communications with the Board, to recommend to the Board appropriate action on any such proposal or recommendation and to make any disclosures required by applicable law in the course of exercising its authority. The Committee shall solicit nominees for potential Board members from the Company’s stockholders by including a statement in the Company’s proxy statements inviting stockholders to make written suggestions for nominees to the Board in accordance with the Company’s bylaws.
- *Board Assessment* – The Committee shall periodically review, discuss and assess the performance of the Board, including Board committees, seeking input from senior management, the full Board and others. The assessment shall include evaluation of the Board’s contribution as a whole, specific areas in which the Board or management believe contributions could be improved, and overall Board composition and makeup, including the reelection of current Board members. The factors to be considered shall include whether the Directors, both individually and collectively, can and do provide the integrity, experience, judgment, commitment, skills and expertise appropriate for the Company. The Committee also shall consider and assess the independence of Directors, including whether a majority of the Board continue to be independent from management in both fact and appearance, as well as within the meaning prescribed by Nasdaq. The results of such reviews shall be provided to the Board for further discussion as appropriate.
- *Board Committee Nominations* – The Committee, after due consideration of the wishes, independence and experience of the individual directors and independence and experience requirements of Nasdaq, the rules and regulations of the Securities and Exchange commission and applicable law, shall recommend to the entire Board annually the chairmanship and membership of each committee.
- *Continuing Education* – The Committee shall consider instituting a plan or program for the continuing education of directors.
- *Corporate Governance Principles* – The Committee shall develop a set of corporate governance principles to be applicable to the Company, shall periodically review and assess these principles and their application, and shall recommend any changes deemed appropriate to the Board for its

consideration. Further, the Committee shall periodically review Company policy statements to determine their adherence to the Company's Code of Business Conduct and Ethics.

- *Procedures for Information Dissemination* – The Committee shall oversee and review the processes and procedures used by the Company to provide information to the Board and its committees. The Committee should consider, among other factors, the reporting channels through which the Board and its committees receive information and the level of access to outside advisors where necessary or appropriate, as well as the procedures for providing accurate, relevant and appropriately detailed information to the Board and its committees on a timely basis.
- *Management Succession.* The Committee shall periodically review with the Chief Executive Officer the plans for succession to the offices of the Company's chief executive officer, chief financial officer and such other officers determined by the Committee to be crucial to the success of the Company and make recommendations to the Board with respect to the selection of appropriate individuals to succeed to these positions.
- *Annual Charter Review* – The Committee shall review and assess the adequacy of this charter annually and recommend any proposed changes to the Board for approval.

MEETINGS:

The Committee will hold such number of meetings as the Committee deems appropriate. In lieu of a meeting, the Committee may act by unanimous written consent.

MINUTES AND REPORTS:

Minutes of each meeting will be kept and distributed to each member of the Committee, members of the Board who are not members of the Committee and the Secretary of the Company. The Chairman of the Committee will report to the Board from time to time, or whenever requested by the Lead Independent Director or the Chairman of the Board of Directors.