

Cass Information Systems, Inc.
Audit Committee Charter

I. PURPOSE

The Audit Committee is appointed by the Board to oversee the accounting and financial reporting processes of the Company and the audits of the Company's financial statements.

The Audit Committee will also oversee the Company's processes for monitoring compliance with the Company's policies and Code of Conduct and Business Ethics, oversee the Company's efforts to manage its information technology and data security risks, review and approve related party transactions and oversee matters relating to regulatory and legal compliance issues that may impact the Company's financial statements or reporting.

The Audit Committee shall provide financial management oversight by assisting the Board in reviewing the Company's investment policies, strategies, transactions and performance, and in overseeing the Company's asset/liability management, capital, financial resources, and risk management.

II. COMMITTEE MEMBERSHIP

The Audit Committee shall consist of no fewer than three members, each of whom shall be a member of the Board. Each member of the Audit Committee shall meet the independence and experience requirements of The NASDAQ Stock Market, Inc. ("Nasdaq") Marketplace Rules and the Securities Exchange Act of 1934, as amended (the "Exchange Act"). However, one director who does not meet the Nasdaq definition of independence, but who meets the criteria set forth in Section 10A(m)(3) under the Exchange Act and the rules thereunder, and who is not a current executive officer or employee or a family member of such person, may be appointed to the Audit Committee to serve for no more than two years, if the Board, under exceptional and limited circumstances, determines that such individual's membership is required by the best interests of the Company and its shareholders. Such person may not serve longer than two years and may not chair the Audit Committee. The use of this "exceptional and limited circumstances" exception, as well as the nature of the individual's relationship to the Company and the basis for the board's determination, shall be disclosed in the annual proxy statement.

In addition, if an Audit Committee member ceases to be independent for reasons outside the member's reasonable control, his or her membership on the Audit Committee may continue until the earlier of the Company's next annual shareholders' meeting or one year from the occurrence of the event that caused the failure to qualify as independent. If the Company is not already relying on this provision, and falls out of compliance with the requirements regarding audit committee composition due to a single vacancy on the Audit Committee, then the Company will have until the earlier of the next annual shareholders' meeting or one year from the occurrence of the event that caused the failure to comply with this requirement to regain compliance; provided, however, that if the annual shareholders' meeting occurs no later than 180 days following the event that caused the failure to comply with the independence requirement, the Company shall instead have 180 days from such event to regain compliance. The Company shall provide notice to Nasdaq immediately upon learning of the event or circumstance that caused the non-compliance, if it expects to rely on either of these provisions for a cure period.

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All members of the Audit Committee shall be able to read and understand fundamental financial statements and otherwise meet the financial sophistication standards established by Nasdaq. The members should collectively possess sufficient knowledge of audit, finance, specific industry knowledge, information technology, law, governance, risk and control. No member of the Audit Committee shall have participated in the preparation of the financial statements of the Company or any subsidiary in the past three years.

At least one member of the Audit Committee shall be an “audit committee financial expert” as defined by the Securities and Exchange Commission, and at least one member of the Audit Committee shall have past employment experience in finance or accounting, requisite professional certification in accounting, or any other comparable experience or background which results in the individual's financial sophistication, including being or having been a chief executive officer, chief financial officer or other senior officer with financial oversight responsibilities. A person who satisfies the definition of “audit committee financial expert” will be presumed to have financial sophistication.

The members of the Audit Committee shall be appointed by the Board and shall serve for such term or terms as the Board may determine, or until earlier resignation, removal or death. The Board may remove any member from the Audit Committee at any time with or without cause. The Board may designate one of the members as the Chairman of the Audit Committee, or if the Board does not make such designation, the members of the Audit Committee shall elect a Chairman from among themselves.

No member of the Audit Committee may serve simultaneously on the audit committee of more than two other public companies.

III. MEETINGS, STRUCTURE AND OPERATIONS

The Audit Committee shall meet as often as it determines necessary to fulfill its responsibilities but not less frequently than quarterly. The Audit Committee may meet in person or telephonically. The Audit Committee shall meet periodically in separate executive sessions with management, the internal auditors and the independent auditors, and have such other direct and independent interaction with such persons from time to time, as the members of the Audit Committee deem appropriate. The Audit Committee may request any officer or employee of the Company or the Company's outside counsel or independent auditors to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee. A majority of the entire Committee shall constitute a quorum. The Committee shall act on the affirmative vote of a majority of members present at a meeting at which a quorum is present. The Audit Committee shall keep minutes of its proceedings, which shall be duly filed in the Company's records. Any action required or permitted to be taken by the Audit Committee may be taken without a meeting, if all of the members of the Audit Committee consent to the action in writing and the written consent is filed with the minutes of the proceedings of the Audit Committee and is otherwise governed by the same rules regarding meetings (including meetings in person or by telephone or other similar communications equipment), action without meetings, notice, waiver of notice, and quorum and voting requirements as are applicable to the Board.

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The Audit Committee shall have the authority, to the extent it deems necessary or appropriate in its sole discretion, to engage and determine funding for independent legal, accounting or other advisors. The Company shall provide for appropriate funding, as determined by the Audit Committee, for payment of compensation to the independent auditors for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company and to any advisors employed by the Audit Committee, as well as funding for the payment of ordinary administrative expenses of the Audit Committee that are necessary or appropriate in carrying out its duties. The Audit Committee may form and delegate authority to subcommittees consisting of one or more members when appropriate.

In discharging its responsibilities, the Audit Committee will have unrestricted access to members of management, employees, and relevant information it considers necessary to discharge its duties. The committee also will have unrestricted access to records, data, and reports. If access to requested documents is denied due to legal or confidentiality reasons, the Audit Committee and/or internal audit manager will follow a prescribed, Board approved mechanism for resolution of the matter.

The Audit Committee is entitled to receive any explanatory information that it deems necessary to discharge its responsibilities. The organization's management and staff should cooperate with Audit Committee requests.

The Audit Committee shall make regular reports to the Board. The Audit Committee shall perform an annual self-evaluation and shall also annually review and reassess the adequacy of this Charter, recommending any proposed changes to the Board for approval.

Any communications between the Audit Committee and legal counsel in the course of obtaining legal advice will be considered privileged communications of the Company and the Audit Committee will take all necessary steps to preserve the privileged nature of these communications.

IV. COMMITTEE AUTHORITY AND RESPONSIBILITIES

The Audit Committee shall have the following authority and responsibilities:

- (1) To (i) select and retain an independent registered public accounting firm to act as the Company's independent auditors for the purpose of auditing the Company's annual financial statements, books, records, accounts and internal controls over financial reporting, subject to ratification by the Company's shareholders of the selection of the independent auditors, (ii) set the compensation of the Company's independent auditors, (iii) oversee the work done by the Company's independent auditors (including resolution of disagreements between management and the independent auditors regarding financial reporting) and (iv) terminate the Company's independent auditors, if necessary.

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- (2) To select, retain, compensate, oversee and terminate, if necessary, any other registered public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company.
- (3) To approve all audit engagement fees and terms and pre-approve all audit services and permitted non-audit and tax services (including the fees and terms thereof) to be performed for the Company by its independent auditors or other registered public accounting firms, subject to the de minimis exception for non-audit services that are approved by the Audit Committee prior to the completion of the audit. The Audit Committee shall establish policies and procedures for the Audit Committees pre-approval of permitted services by the Company's independent auditors or other registered public accounting firms, which may permit the Audit Committee to delegate to the Audit Committee Chairman the authority to grant pre-approvals of audit and permitted non-audit services, provided that such decisions to grant pre-approvals shall be presented to the full Audit Committee at its next scheduled meeting.
- (4) At least annually, to obtain and review a report by the Company's independent auditors that describes (i) the accounting firm's internal quality control procedures, (ii) any material issues raised by the most recent internal quality control review, peer review or Public Company Accounting Oversight Board review or inspection of the firm or by any other inquiry or investigation by governmental or professional authorities in the past five years regarding one or more audits carried out by the firm and any steps taken to deal with any such issues, and (iii) all relationships between the firm and the Company or any of its subsidiaries, consistent with Independence Standards Board Standard 1; and to discuss with the independent auditors this report and any relationships or services that may impact the objectivity and independence of the auditors.
- (5) At least annually, to evaluate the qualifications, performance and independence of the Company's independent auditors, including an evaluation of the lead audit partner; and to assure the regular rotation of the lead audit partner at the Company's independent auditors and consider regular rotation of the accounting firm serving as the Company's independent auditors.
- (6) To review and discuss with the Company's independent auditors (i) the auditors' responsibilities under generally accepted auditing standards and the responsibilities of management in the audit process, (ii) the overall annual audit strategy, (iii) any significant risks identified during the auditors' risk assessment procedures, and (iv) when completed, the results, including significant findings, of the annual audit.
- (7) To review and discuss with the Company's independent auditors: (i) all critical accounting policies and practices to be used, (ii) all alternative treatments of financial information within generally accepted accounting principles ("GAAP") that have been discussed with management, the ramifications of the use of such alternative treatments and the treatment preferred by the auditors, (iii) other material written communications between the auditors and management, and (iv) any other matters required to be

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discussed by the Public Company Accounting Oversight Board Auditing Standards No. 1301, “Communications with Audit Committees.”

- (8) To review and discuss with the Company’s independent auditors and management: (i) any audit problems or difficulties, including difficulties encountered by the Company’s independent auditors during their audit work (such as restrictions on the scope of their activities or their access to information), (ii) any significant disagreements with management and (iii) management’s response to these problems, difficulties or disagreements.
- (9) To review and discuss with management and the independent auditors the annual audited financial statements (including the related notes), the form of audit opinion to be issued by the auditors on the financial statements and the disclosure under “Management's Discussion and Analysis of Financial Condition and Results of Operations” to be included in the Company's annual report on Form 10-K before the Form 10-K is filed, and recommend to the Board whether the audited financial statements should be included in the Company’s Form 10-K.
- (10) To produce the audit committee report required to be included in the Company's proxy statement.
- (11) To review and discuss with the independent auditors and management the Company’s quarterly financial statements and the disclosure under “Management's Discussion and Analysis of Financial Condition and Results of Operations” to be included in the Company’s quarterly report on Form 10-Q before the Form 10-Q is filed, including the results of the independent auditors’ review of the quarterly financial statements, and to review and discuss the Form 10-Q for filing with the Securities and Exchange Commission.
- (12) To review with management and the independent auditors (i) any major issues regarding accounting principles and financial statement presentation, including any significant changes in the Company’s selection or application of accounting principles, (ii) any significant financial reporting issues and judgments made in connection with the preparation of the Company’s financial statements, including the effects of alternative GAAP methods, and (iii) the effect of regulatory and accounting initiatives and off-balance sheet structures on the Company’s financial statements.
- (13) To keep the Company’s independent auditors informed of the Audit Committee’s understanding of the Company’s relationships and transactions with related parties that are significant to the Company; and to review and discuss with the Company’s independent auditors the auditors’ evaluation of the Company’s identification of, accounting for, and disclosure of its relationships and transactions with related parties, including any significant matters arising from the audit regarding the Company’s relationships and transactions with related parties.

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- (14) To review with management, the internal audit department and the independent auditors (i) the adequacy and effectiveness of the Company's internal controls, including any significant deficiencies or material weaknesses in the design or operation of, and any material changes in, the Company's internal controls, (ii) any special audit steps adopted in light of any material control deficiencies, (iii) any fraud involving management or other employees with a significant role in such internal controls, and (iv) the independent auditors' attestation of the report on internal controls and the required management certifications prior to the filing of the Company's Form 10-K or 10-Q, as applicable.
- (15) To review and discuss with management and the Company's independent auditors the Company's earnings press releases, including the use of "pro forma" or "adjusted" non-GAAP information, as well as financial information and earnings guidance provided to analysts and rating agencies. Such discussion may be done generally (consisting of discussing the types of information to be disclosed and the types of presentations to be made).
- (16) To review and discuss with management the Company's risk exposures, including, but not limited to, major financial risk exposures, the policies, guidelines, and process by which management assesses and manages the Company's risk, and the steps management has taken to monitor and control such exposures, including the Company's risk assessment and risk management policies.
- (17) To recommend to the Board policies for the Company's hiring of employees or former employees of the Company's independent auditors.
- (18) To discuss with the independent auditors material issues on which the national office of the independent auditors was consulted by the Company's audit team.
- (19) To review, approve, and oversee all transactions between the Company and any related person that are required to be disclosed pursuant to Item 404 of Regulation S-K and to develop policies and procedures for the Audit Committee's approval of related party transactions. "Related person" and "transaction" shall have the meanings given to such terms in Item 404 of Regulation S-K, as amended from time to time.
- (20) To establish and oversee procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.
- (21) To review management's arrangements for the prevention and deterrence of fraud and monitor the Company's antifraud programs and controls.

V. OVERSIGHT OF THE COMPANY'S INTERNAL AUDIT FUNCTION

The Audit Committee, to the extent it deems necessary or appropriate, shall:

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- (1) Review the qualifications, appointment and replacement of the senior internal auditing executive.
- (2) Review the scope and performance of the department's internal audit plan, objectives, performance measures and outcomes, including results of any internal audits, significant reports to management prepared by the internal auditing department and management's responses.
- (3) Review proposed risk-based internal audit plans and make recommendations, as deemed necessary or appropriate.
- (4) Discuss with the independent auditors and management the internal audit department's purpose, authority, organization, responsibilities, budget and staffing and any recommended changes in the planned scope of the internal audit, each generally and also for consistency with mandatory guidance and framework of the Institute of Internal Auditors.

VI. COMPLIANCE OVERSIGHT RESPONSIBILITIES

The Audit Committee, to the extent it deems necessary or appropriate, shall:

- (1) Obtain from the independent auditors assurance that Section 10A(b) of the Exchange Act has not been implicated. Section 10A(b) generally relates to illegal acts that have come to the attention of the independent auditors during the course of the audit.
- (2) Obtain reports from management and the Company's senior internal auditing executive that the Company and its subsidiary/foreign-affiliated entities are in conformity with applicable legal requirements and the Company's Code of Conduct and Business Ethics, and advise the Board with respect to the Company's policies and procedures regarding compliance with applicable laws and regulations and with the Company's Code of Conduct and Business Ethics.
- (3) Discuss with management and the independent auditors any correspondence with regulators or governmental agencies and any published reports that raise material issues regarding the Company's financial statements or accounting policies.
- (4) Discuss with the Company's General Counsel, and/or outside legal counsel, legal matters that may have a material impact on the financial statements or the Company's compliance policies.
- (5) To review compliance with the Company's Code of Conduct and Business Ethics (the "Code"), to investigate any alleged breach or violation of the Code, and to enforce provisions of the Code.
- (6) To review, with the General Counsel and/or outside legal counsel, legal and regulatory matters, including legal cases against or regulatory investigations of the Company and

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its subsidiaries that could have a significant impact on the Company's financial statements.

VII. OVERSIGHT OF INFORMATION TECHNOLOGY SECURITY RISKS

The Audit Committee shall review and discuss with management the Company's policies and practices with respect to risk assessment and risk management over information technology, security and data privacy protection.

VIII. FINANCIAL MANAGEMENT OVERSIGHT

The Audit Committee, to the extent it deems necessary or appropriate, shall:

- (1) Review and approve significant investment and asset/liability policies, including those relating to rate sensitivity, liquidity, capital adequacy and dividend payments.
- (2) Review capital, interest rate sensitivity, liquidity, derivatives activity and investment portfolio and inter-bank liability position reports for compliance with approved policies.
- (3) Perform any other responsibilities delegated to the Committee by the Board from time to time.

IX. LIMITATION OF AUDIT COMMITTEE'S ROLE

While the Audit Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Audit Committee to plan or conduct audits or to determine that the Company's financial statements and disclosures are complete and accurate and are in accordance with generally accepted accounting principles and applicable rules and regulations. These are the responsibilities of management and the independent auditors.