

**CASS INFORMATION SYSTEMS, INC.**  
**COPORATE GOVERNANCE GUIDELINES**

**A. Composition of the Board**

**1. Size of the Board**

The Board believes that the size of the Board generally should be within a range of six to ten. A substantial majority of the members of the Board shall be independent and not part of management in accordance with the applicable provisions of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and the Nasdaq Stock Market (“Nasdaq”).

**2. Board Membership Criteria**

The Nominating and Corporate Governance Committee (the “Nominating Committee”) is responsible for articulating and refining specific criteria for Board membership to supplement the more general criteria set forth in its charter and in this policy regarding such matters as integrity, independence, diligence and the like. Also, the Nominating Committee is responsible for evaluating on an ongoing basis all Directors and Director candidates based on such general and specific criteria and for seeking to assure that specific talents, skills and other characteristics that are needed to maintain the Board’s effectiveness are possessed by an appropriate combination of Directors. In order to fulfill his or her responsibilities to the Company, each Director is expected to limit participation on other Boards.

**3. Proportion and Determination of Independent Directors**

The Board believes that as a matter of policy, Independent Directors (as such term is defined in the listing standards of Nasdaq) should comprise at least two-thirds of the Company’s Board. This will not, however, prevent the Board from taking valid actions if, due to a temporary vacancy or vacancies on the Board, there are fewer than the intended proportion of Independent Directors. Any such vacancies should be filled as soon as reasonably practical.

**4. Selection of Directors**

The Board and the Nominating Committee should be responsible, in actual practice and not merely as a procedural formality, for selecting members of the Board and in recommending them for election by the shareholders. The Board has delegated the selection and initial evaluation of potential Directors to the Nominating Committee with direct input from the Chief Executive Officer.

The Board shall be responsible for determining the qualification of an individual to serve on the Audit Committee as a designated “audit committee financial expert,” as required by applicable rules of the Securities and Exchange Commission (“SEC”) under Section 407 of the Sarbanes-Oxley Act of 2002. In light of this responsibility of the Board, the Nominating Committee shall coordinate closely with the Board in screening any new candidate in evaluating whether to re-nominate any existing Director who may serve in this capacity.

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The invitation to join the Board should be extended by the Board itself, Chairman of the Board and/or the Chairman of the Nominating Committee.

**5. Directors Whose Circumstances Significantly Change**

Any significant change in circumstances that may relate to a Director's qualifications as a Director is considered in determining suitability for continued directorship. In addition, an analysis of potential conflicts and review by the Audit Committee and the Board are conducted for any proposed additional Director affiliation with a for-profit enterprise or for any proposed transaction involving the Company (or subsidiary of the Company) in which any Director would have a direct economic or beneficial interest. Directors shall give the Board notice of any such significant change in circumstances, proposed additional for-profit affiliation or proposed transaction involving the Company.

**6. Length of Terms**

Directors are elected for three-year terms. A new Director may be elected for the remaining term of a retiring Director. Prior to the completion of a Director's term of office and re-nomination for reelection at the annual shareholders meeting, the Nominating Committee will evaluate the Director's continued services on the Board. Prior to re-nomination, each Director is given the opportunity to confirm his or her desire to continue as a member of the Board.

**7. Retirement Age**

The retirement age of Directors is 75. However, Directors may serve the remaining years of their term of office after reaching age 75.

**B. Board Leadership**

**1. Selection of the Chairman and Chief Executive Officer**

The Board should have flexibility to decide whether it is best for the Company at a given point in time for the roles of the Chief Executive Officer and Chairman of the Board to be separate or combined. The person (or persons) so designated to serve as Chairman of the Board shall be elected by the Board.

If the Board does not have an independent Chairman, a Lead Director will be appointed by the Board. The Lead Director shall qualify as an Independent Director pursuant to these Corporate Governance Guidelines. It is the Lead Director's role to promote the appropriate involvement of the independent directors in governance matters and ensure the effectiveness of the independent directors in their role on behalf of the shareholders while avoiding the risk of confusion about the primary business leadership role of the Chairman of the Board and the Company's Chief Executive Officer. In particular, the Lead Director will be responsible for (a) staying regularly informed about the strategy of the Company and about critical issues and performance of the Company; (b) working with the Chairman of the Board to set the agendas for Board meetings; (c) calling meetings of the independent directors when needed; (d) providing Board leadership in

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times of crisis; (e) setting the agenda for and chairing executive sessions of the independent directors; (f) acting as liaison between the independent directors and the Chairman of the Board for matters raised in executive sessions; (g) chairing meetings of the Board or shareholders when the Chairman of the Board is not in attendance; (h) attending meetings of the committees of the Board when necessary or at his/her discretion and communicating regularly with the chairs of the Board committees; (i) working with the Chairman of the Board to ensure the conduct of Board meetings provides adequate time for serious discussion of important issues and that appropriate information is made available to Board members on a timely basis; (j) being available on request for consultation and direct communication with major shareholders; and (k) performing such other duties as may be requested from time to time by the Board or by a majority of the independent directors.

**C. Board Compensation and Performance**

**1. Board Compensation Review**

At least annually, the Compensation Committee reviews competitive compensation survey information, and considers the appropriateness of the form and amount of Director compensation with a view toward attracting and retaining qualified Directors.

The Compensation Committee, with the concurrence of the full Board, has directed that a significant portion of Director compensation be delivered in stock-based forms.

Changes in Board compensation, if any, should come at the suggestion of the Compensation Committee, but with full discussion and concurrence by the Board.

**2. Assessing the Performance of the Board as a Whole**

The Board conducts a self-evaluation annually to determine whether it and its committees are functioning effectively. The Nominating Committee oversees this review. This assessment seeks to review areas in which the Board and/or management believes a better contribution could be made. The purpose of this assessment is to increase the effectiveness of the Board as a whole, not to focus on individual Board members. (As contemplated by Section A.2 of the Policy, a separate assessment of each individual Director is made by the Nominating Committee when deciding whether to nominate such Director for reelection to the Board.)

**D. Board of Directors' Responsibilities**

The Company's Board of Directors represents the shareholders' interests in perpetuating a successful business and optimizing long-term financial returns in a manner consistent with applicable legal requirements and ethical considerations. The Board is responsible for identifying and taking reasonable actions to help assure that the Company is managed in a way designed to achieve this result. Consistent with the importance of the Board's responsibilities, each Director

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is expected to be familiar with the Company's business and public disclosures, to review in advance of Board meetings all related materials distributed to the Board and to attend and participate in meetings of the Board and meetings of any committee of which such Director is a member.

Appropriate procedures are established by which interested parties may communicate directly with the non-management Directors of the Board of Directors and such procedures have been disclosed.

**1. Selection, Evaluation and Retention of Chief Executive Officer and Oversight of Selection and Performance of Other Executive Officers; Executive Compensation**

The Board, with assistance from the Nominating Committee and the Compensation Committee, has the responsibility to select, evaluate the performance of and make decisions about the retention of the Chief Executive Officer, to oversee the selection and evaluation of the performance of other executive officers, to plan for management succession, and to monitor on a regular basis the effectiveness and execution of management strategies and decisions in optimizing the Company's long-term financial returns in a manner consistent with applicable legal requirements and ethical considerations.

The Compensation Committee has the responsibility to determine the compensation of the Chief Executive Officer and other executive officers, subject to approval by the independent members of the Board. In evaluating the compensation for the executive officers other than the Chief Executive Officer, the Compensation Committee may give consideration to the recommendations of the Chief Executive Officer concerning each executive's performance and related compensation adjustments.

**2. Management Succession**

The Board of Directors, through its Nominating Committee, will establish and review such formal or informal policies and procedures, with the Chief Executive Officer and others, as it considers appropriate, regarding management succession in the event of emergency or retirement.

**3. Strategic and Operating Plans**

The Board provides oversight with respect to the strategic direction and key policies of the Company. It approves major initiatives, advises on key financial and business objectives, and monitors progress with respect to these matters.

The Chief Executive Officer and executive officers of the Company have the responsibility for the daily operations of the Company and no Director, as an individual, has the authority to issue instructions or orders to any Company officer or member of the staff.

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In discharging their obligations, Directors are entitled to rely on the honesty and integrity of Company's executives and its outside advisors and auditors. The Directors also shall be entitled to have the Company purchase reasonable Directors' and officers' liability insurance on their behalf, to the benefits of indemnification to the fullest extent permitted by law and the Company's Articles of Incorporation and By-Laws, and to exculpation as provided by applicable state law and the Company's Articles of Incorporation.

**4. Selection and Oversight of Independent Auditors; Oversight of Financial Statements**

The Audit Committee of the Board has sole responsibility to appoint, compensate and replace the Company's independent accounting firm that audits the Company's financial statements and to pre-approve the engagement terms and the provision of any audit and non-audit services performed by such accounting firm for the Company. The Audit Committee will have direct responsibility, and the Board will have a corresponding and supplemental responsibility, for monitoring the performance of such accounting firm and guarding against any compromise of its independence, as well as overseeing the financial statements prepared by management, with the goal of assuring that they fairly present the Company's financial condition, results of operations, cash flows and related risks in a clear and understandable way.

**5. Review and Approval of Significant Company Actions and Certain Other Matters**

The Board is responsible under state corporate law to review and approve significant actions by the Company, including election of executive officers, declaration of dividends and major transactions. In addition, the Board is responsible for approving certain actions by the Company as set forth in this policy and any other Company policies that may be adopted from time to time by the Board, or as otherwise required by any applicable national securities exchange on which the Company's securities are traded.

**6. Nominating Directors and Committee Members and Overseeing Effective Corporate Governance**

The Board, with assistance from the Nominating Committee, is responsible for (a) evaluating and nominating Directors and members of Board committees; (b) overseeing the structure and practices of the Board and the committees; and (c) overseeing other corporate governance matters, as more fully set forth in this policy and the charter of the Nominating Committee.

**7. Director's Conduct and Ethics Standards**

Directors, in the course of the Company duties, must comply fully with all federal and state laws applicable to the Company's businesses, and with applicable Company policies, including policies related to the Company's Code of Conduct, use of confidential information and insider trading.

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Any Director who is found guilty of fraud, income tax evasion, or any other crime, or who is a general partner of a partnership or an executive officer of a corporation or business association that goes into bankruptcy shall be required to submit his or her resignation to the Board and will be subject to removal from the Board, as determined by a vote of the Directors. Additionally, and in accordance with the Company's By-laws, any Director who is involved in any activities which reflect unfavorably on the Company will be subject to removal from the Board, as determined by a vote of the Directors.

Directors must conduct themselves in a manner that avoids actual or apparent conflicts of interest and that protects the Company's business reputation. A conflict of interest occurs when a Director's private interest interferes in any way, or even appears to interfere, with the interests of the Company. Under special circumstances, a Director may serve as a consultant or service provider to the Company. Any such arrangement must be approved by the Board.

Directors owe a duty to the Company to advance its legitimate interests when the opportunity to do so arises. Accordingly, Directors are prohibited from taking for themselves personally business opportunities that are discovered through the use of Company property, information or position unless the Company is first presented with the opportunity and declines to pursue it.

**E. Management's Responsibilities**

Management is responsible for operating the Company in an effective, ethical and legal manner designed to produce value for the Company's shareholders consistent with the Company's policies and standards, including this policy. Management is also responsible for enforcing and complying with mandatory provisions of the Company's policies and standards. It is also responsible for avoiding conflicts of interest with the Company and its shareholders.

**1. Financial Statements and Disclosures**

Management is responsible for producing, under the oversight of the Board and the Audit Committee, financial statements that fairly present the Company's financial condition, results of operations, cash flows and related risks in a clear and understandable way, for making timely and complete disclosures to investors, and for keeping the Board and the appropriate committees of the Board well-informed on a timely basis as to all matters of significance to the Company.

**2. Strategic and Operating Plans**

The Chief Executive Officer and senior management are responsible for developing and presenting to the Board the Company's strategic and operating plans and for implementing those plans as approved by the Board.

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**3. Effective Management and Organizational Structure**

The Chief Executive Officer and senior management are responsible for selecting qualified members of management and for implementing and working within an effective organizational structure appropriate for the Company's particular circumstances.

**4. Importance of Strong Ethical Behavior**

Senior management, and especially the Chief Executive Officer, is to provide examples for the entire staff through their integrity, ethics and compliance with all legal requirements and with the Company's policies and standards.

**5. Internal Controls and Procedures**

Senior management is responsible for developing, implementing and monitoring an effective system of internal controls and procedures to provide reasonable assurance that: (a) the Company's transactions are properly authorized; (b) the Company's assets are safeguarded against unauthorized or improper use; and (c) transactions are properly recorded and reported, thereby permitting the preparation of financial statements in conformity with generally accepted accounting principles and any other criteria applicable to such statements.

**6. Disclosure Controls and Procedures**

Senior management is also responsible for establishing, maintaining and evaluating those controls and procedures of the Company necessary to ensure that information required to be disclosed in the reports filed under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms.

**F. Board Relationship to Senior Management**

**1. Board Access to Senior Management**

The Board and each Board committee will have complete access to the Company's management and all employees.

The Board encourages the executive officers to bring non-executive managers to Board meetings from time to time who can provide additional insight into the items being discussed.

In addition, the Board and any of its committees have the authority to retain counsel and other independent experts or consultants, as they may deem necessary, without consulting or obtaining the approval of any officer of the Company in advance.

**2. Board's Interaction with Institutional Investors, Press and Customers**

As a general matter, the Board believes the Chief Executive Officer and/or the Chief Financial Officer are the public spokespersons for the Company.

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**G. Meeting Procedures**

**1. Selection of Times and Agenda Items for Meetings**

The Chairman of the Board, in consultation with the Chief Executive Officer or, if the Chairman is the Chief Executive Officer and there is a Lead Director, in consultation with the Lead Director, sets the annual schedule of Board and committee meetings and establishes the agenda for each Board meeting.

Each Board Member is free to suggest the inclusion of item(s) on the agenda.

It is desirable that Directors be present at the Company's Annual Meeting of Shareholders.

**2. Board Materials Distributed in Advance**

Management shall be responsible to provide the Board, in advance of meetings, with agendas and written background information and data with respect to Board agenda items, as well as other general information relevant to the Company's businesses.

**3. Meetings of the Board in the Absence of the Chairman**

In the event that the Chairman is unable to attend a meeting of the Board, the President/Chief Executive Officer (a Board Member) shall chair the meeting or, if the Chairman is the Chief Executive Officer and there is a Lead Director, the Lead Director shall chair the meeting.

**4. Separate Meetings of Non-Management Directors**

The Non-Management Directors periodically meet without the presence of management Directors or executive officers of the Company. The Chairman, if not also the Chief Executive Officer, shall preside at such meetings. Otherwise, the Lead Director (if there is one) shall preside or, if there is no Lead Director, the Chairman of the Nominating Committee shall preside.

**H. Committee Matters**

**1. Number, Structure and Independence of Committees**

The Board shall have an Audit Committee, a Compensation Committee and Nominating and Corporate Governance Committee, each of which shall have the respective responsibilities described in committee charters adopted by the Board and shall consist solely of Independent Directors. In addition, the Board may, from time to time appoint one or more additional committees. If and when the Board appoints any such additional committee, the Board shall, by resolution or otherwise, clearly define in writing the responsibilities of such committee.



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**2. Assignment of Committee Members**

At least annually, the Chairman of the Board and the Nominating Committee, in consultation with the Chief Executive Officer, reviews committee assignments (members and chairs). In considering a Director for committee membership, the Nominating Committee takes into consideration any factors it deems appropriate, including without limitation, the Director's experience and background, and its relevance to the goals and responsibilities of the committee and the Director's committee preferences. The Nominating Committee then makes committee assignment recommendations on which the full Board votes.

It is the sense of the Board that consideration should be given to rotating committee members and committee chairs periodically, but the Board does not believe that rotation should be mandated as a policy because the Board believes that there are significant benefits attributable to the continuity and experience gained in service on a particular committee over time.

**3. Frequency of Committee Meetings**

Subject to any requirements in the applicable committee charter regarding the frequency of committee meetings, each committee chairman, in consultation with committee members, will determine the frequency of the meetings of the committee.

**4. Committee Agenda, Background Materials and Reports**

The respective committee chairs in consultation with management and other committee members set committee agendas. Committee chairs report on each committee meeting at the Board meeting following the committee meeting.

Management is responsible for assuring that information and data relating to the matters to be considered and acted upon by a committee are distributed to each member of such committee sufficiently in advance of each such meeting to provide a reasonable time for review and evaluation of such information and data.

In the absence of a committee chair, the most senior committee member (in terms of committee service) chairs the committee meeting.

**I. Miscellaneous**

**1. Resources**

The Board and Board committees may use reasonable amounts of time of the Company's independent accountants, and outside lawyers and internal staff and also shall have the authority and resources to hire independent accounting experts, lawyers and other consultants to assist and advise the Board (and any of its committees that are authorized to seek such advice and assistance) in connection with its responsibilities.

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**2. Reliance**

Each Director is entitled to rely in good faith on (a) corporate records, corporate officers, corporate employees or board committees; or (b) any other person selected with reasonable care as to matters reasonably believed to be within the person's professional or expert competence.

**3. Director Orientation**

Orientation is provided for new Directors. Presentations by senior management familiarize them with the Company's strategic plans, its significant financial, accounting and risk management issues, its compliance programs, its code of conduct and business ethics, and its independent auditors. In addition, each Board Committee also provides new committee members with appropriate background information about the workings of the committee.

The Board does not require formal Board continuing education, but does encourage it with the cost to be borne by the Company.

**4. Disclosure of the Policy**

This policy, including committee charters and code of conduct and business ethics, will be posted on the Company's website and also will be available in print to any shareholder requesting it.

**5. Code of Conduct and Business Ethics**

The Company will maintain, and the Audit Committee will oversee compliance with, a code of conduct and business ethics applicable to all Company employees, executive officers and Directors. The Audit Committee may modify the code from time to time.

**6. Amendment and Modification to Guidelines**

These Guidelines may be amended or modified by the Board of Directors. The Board, with the assistance of the Nominating Committee, as appropriate, shall review these Guidelines on an annual basis to determine whether any changes are appropriate.