

Cass Information Systems, Inc.
Compensation Committee Charter
Rev. 10/16/2020

The purpose of this Charter is to set forth the objectives, structure, and responsibilities of the Compensation Committee (the “Committee”) of the Board of Directors (the “Board”) of Cass Information Systems, Inc. (the “Company”).

I. PURPOSE

The Board appoints the Committee to i.) discharge the Board’s responsibilities relating to compensation of the Company’s directors, Chief Executive Officer (CEO), and other executives, and ii.) produce an annual report on executive compensation for inclusion in the Company’s proxy statement. The Committee has overall responsibility for evaluating, administering and recommending to the independent members of the Board the approval of the compensation plans, policies and programs of the Company. To the extent as reasonably necessary, the Committee shall have the right to adopt and implement any policy as required under applicable law or regulation and the rules and regulations of The Nasdaq Stock Market (“Nasdaq”).

II. COMMITTEE STRUCTURE AND PROCEEDINGS

Number and Qualifications of Members

The Committee shall consist of at least three members of the Board who shall be independent in accordance with the requirements of Rule 10C-1(b)(1) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”) and the rules and regulations of Nasdaq, and shall meet the additional composition requirements of Nasdaq. In addition, members must qualify as “non-employee directors” for the purpose of Rule 16b-3 under the Exchange Act and as “outside directors” for the purposes of Section 162(m) of the Internal Revenue Code as amended.

The full Board shall from time to time determine the size of the Committee and shall formally appoint its members from among those who are qualified to serve on the Committee, and members shall serve at the pleasure of the Board. A member shall automatically cease to serve on the Committee if the member ceases to meet the qualifications for Committee membership. The Board shall be the sole and final judge as to whether a member meets the qualifications for membership. The Board may designate one of the members as the Chairman of the Committee, or if the Board does not make such designation the members shall elect a Chairman from among themselves. The Board may remove any member from the Committee at any time, with or without cause.

Meetings

The Committee shall meet at least twice per year in conjunction with regularly scheduled meetings of the Board. The Committee may meet in person or telephonically. The Committee may meet at such other times as its responsibilities may require. The Committee shall keep minutes of its proceedings, which shall be duly filed in the Company’s records.

The Committee may invite such members of management to its meetings as it deems appropriate, however the Committee shall periodically meet without such members present and in all cases, the CEO and any other such officers shall not be present at meetings at which their compensation or performance is discussed or determined.

Quorum and Voting

A majority of all members of the Committee eligible to vote on a matter shall constitute a quorum for the transaction of business on that matter, and the affirmative vote of a majority of the members eligible to vote on a matter shall be required to approve that matter, except that procedural matters may be approved by a majority of the members present. Members of the Committee may not act by proxy.

Action by Written Consent

Any action required or permitted to be taken by the Committee may be taken without a meeting, if all the members of the Committee consent to the action in writing and the written consent is filed with the minutes of the proceedings of the Committee.

Rules

The Committee may from time to time adopt rules not inconsistent with this Charter, for the conduct of its meetings and the transaction of its other business.

III. COMMITTEE RESPONSIBILITIES

1. Review, at least annually, the Company's compensation strategy to ensure that (a) executives are rewarded in a manner consistent with such strategy, internal equity considerations, competitive practices, applicable legal and regulatory requirements and their contributions to Company growth, financial and operational performance, and (b) the executive compensation strategy supports the Company's objectives and shareholder interests.
2. Review and approve, at least annually, corporate goals and objectives relevant to CEO compensation; evaluate, at least annually, the CEO's performance in light of those goals and objectives; and determine the CEO's compensation levels based on this evaluation. Matters relating to the CEO's compensation will be recommended to the independent members of the Board for their approval. In determining the equity based incentive component of CEO compensation, primarily stock appreciation rights and restricted stock awards, the Committee shall consider the Company's performance and relative shareholder return, the value of similar incentive awards to CEOs at comparable companies and the awards given to the CEO in past years.
3. Make recommendations to the independent members of the Board with respect to total compensation levels for the CEO and non-CEO executive officers. In evaluating and determining CEO and non-CEO executive officer compensation, the Committee shall consider the results of the most recent shareholder advisory vote on executive compensation (the "Say on Pay Vote") required by Section 14A of the Exchange Act.
4. Review and recommend to the Board for approval the frequency with which the Company will conduct the Say on Pay Vote, taking into account the results of the most recent shareholder advisory vote on frequency of the Say on Pay Vote required by Section 14A of the Exchange Act and review and approve the proposals regarding the Say on Pay Vote and the frequency of the Say on Pay Vote to be included in the Company's proxy statement.
5. Approve annual retainer and meeting fees for the Board and committees of the Board, and fix the terms and awards of stock compensation for members of the Board, subject to shareholder approval where appropriate.

6. Approve the granting of stock options, restricted stock and other equity based awards under the Company's equity plans, subject to shareholder approval where appropriate.

7. Review and monitor the executive retirement plans of the Company.

8. Subject to any required Board ratification and/or stockholder approval, the Committee shall have the authority to administer and recommend to independent members of the Board the approval, amendment and termination of incentive compensation plans and any equity-based plans, including the approval, amendment or termination of any tax-qualified plan or section 125 plan. The Committee shall have the authority to recommend appointment and removal of various plan trustees, administrative committees or members thereof and/or administrators. In reviewing and making recommendations regarding incentive compensation plans and equity-based plans, including whether to adopt, amend or terminate any such plans, the Committee shall consider the results of the most recent Say on Pay Vote.

9. Produce an annual report on executive compensation for inclusion in the Company's annual report or proxy statement.

10. Review and discuss with the Company's management the Compensation Discussion and Analysis required by Item 402 of Regulation S-K of the Securities Act of 1933, as amended and the related executive compensation information. Based on such review and discussion, the Committee shall make a recommendation regarding the inclusion of the Compensation Discussion and Analysis and related executive compensation information in the Company's annual report or proxy statement.

11. Review the Company's incentive compensation arrangements to determine whether they encourage excessive risk-taking, to review and discuss at least annually the relationship between risk management policies and practices and compensation, and to evaluate compensation policies and practices that could mitigate any such risk.

IV. OUTSIDE ADVISORS

The Committee shall have the right to use reasonable amounts of time of the Company's outside legal counsel and the Company's internal staff and also shall have the right to hire independent experts, legal counsel and other consultants to assist and advise the Committee in connection with its general responsibilities and/or investigated matters. The Committee is entitled to rely in good faith on (1) corporate records, corporate officers, corporate staff or (2) any other persons selected with reasonable care as to matters reasonably believed to be within the person's professional or expert competence.

The Committee may retain, oversee and terminate, and set the fees of, any such advisors, without the necessity of Board approval, and the expenses incurred by the Committee in obtaining such advice and assistance shall be paid by the Company without the necessity of Board approval.

The Committee shall have the sole authority to retain, oversee, and terminate any compensation consultant to be used to assist in the evaluation of director or executive officer compensation and shall have sole authority to approve the consultant's fees and other retention terms, all at the Company's expense.

When selecting an advisor, the Committee shall consider certain factors affecting the independence of that advisor as set forth in Nasdaq Rule 5605, including: (i) the provision of other services to the

Company by the advisor's employer; (ii) the amount of fees paid by the Company to the advisor's employer, as a percentage of the employer's total revenue; (iii) policies and procedures of the advisor's employer that are designed to prevent conflicts of interest; (iv) any business or personal relationship between the advisor and any member of the Committee; (v) ownership by the advisor of the Company's stock; and (vi) any business or personal relationship between the advisor, or the advisor's employer, and any executive officer of the Company.

The Committee may retain, or receive advice from, any advisor it prefers, including advisors that are not independent, after considering the factors set forth in Nasdaq Rule 5605 as specified in this Charter. The Committee is not required to assess the independence of any compensation consultant or other advisor that acts in a role limited to (i) consulting on any broad-based plan that does not discriminate in scope, terms or operation in favor of executive officers or directors and that is generally available to all salaried employees or (ii) providing information that is not customized or that is customized based on parameters that are not developed by the advisor, and about which the advisor does not provide advice.

The Committee shall evaluate whether any compensation consultant retained or to be retained by it has any conflict of interest in accordance with Item 407(e)(3)(iv) of Regulation S-K.

V. ADDITIONAL RESPONSIBILITIES

1. Annually, the Committee shall review and reassess the adequacy of this Charter and recommend any proposed changes to the Board for approval.
2. Annually, the Committee shall conduct an evaluation of the Compensation Committee's own performance of its duties under this Charter during the past year and shall present the results of the evaluation to the Board.
3. The Committee shall regularly report its activities to the Board and review with the Board any issues that arise with respect to the purposes or activities of the Committee.
4. The Committee shall be required to consider executive compensation resolutions and disclosures both before and after shareholder votes.

VI. DELEGATION OF AUTHORITY

The Committee shall have the authority to delegate any of its responsibilities, along with the authority to take action in relation to such responsibilities, to one or more subcommittees as the Committee may deem appropriate in its sole discretion.