

# **DELUXE CORPORATION**

## **COMPENSATION AND TALENT COMMITTEE CHARTER**

### **Purpose**

The Compensation and Talent Committee ("Committee") is appointed by the Company's Board of Directors (the "Board") to assist the Board in carrying out its responsibilities relating to the compensation of the Company's chief executive officer (the "CEO"), other executive officers (together with the CEO, the "Executives") and such other management personnel as may be identified as key to the continuing success of the Company ("Key Managers") and oversight of the Company's human capital management programs. The Committee has the general responsibility for developing the Company's executive compensation philosophy, evaluating and recommending to the Board the design of compensation programs intended to attract and retain the caliber of employees necessary to ensure the future success of the Company, and, in consultation with the Board, recommending to the Board the compensation to be paid to the CEO and reviewing and approving the compensation to be paid to the Company's other Executives. As part of this Charter, the Committee is responsible for reviewing and discussing with management and the Board the Compensation Discussion and Analysis for inclusion in the Company's proxy statement and annual report on Form 10-K, and for producing an annual Compensation Committee Report for inclusion in the Company's proxy statement, in accordance with the Securities Exchange Act of 1934 (the "Exchange Act") and the rules and regulations promulgated by the Securities and Exchange Commission.

### **Committee Membership**

The Committee shall consist of no fewer than three members, each of whom shall meet the independence requirements of the New York Stock Exchange (the "NYSE"). At least two members of the Committee also shall qualify as "non-employee" directors under Rule 16b-3 of the Exchange Act. Members of the Committee shall be appointed by the Board on the recommendation of the Corporate Governance Committee, and may be replaced by the Board, respectively.

### **Meetings**

The Committee shall meet at such times as it determines to be necessary or appropriate, but not fewer than four times each year. The Committee may request any officer or employee of the Company, or any outside advisor, to attend a meeting of the Committee or to meet with any member(s) of, or consultants to, the Committee.

### **Committee Authority and Responsibilities**

The Committee shall have the authority and responsibilities outlined below, which authority and/or responsibilities may be delegated to subcommittees when appropriate. The deliberations, actions, and recommendations of the Committee shall be reported to the Board on a regular basis.

#### **A. CEO Evaluation and Compensation**

The Committee shall review and approve corporate goals and objectives relevant to CEO compensation, lead the independent directors on the full Board in an annual evaluation of the CEO's performance in light of those goals and objectives, and provide to such independent directors, recommendations for any changes to the CEO's compensation based on this evaluation, and such relevant competitive market data as provided to the Committee by the Committee's chosen compensation consultant. In determining its recommendation of the long-term incentive component of CEO compensation, the Committee will consider the Company's performance and relative shareholder return, the value of similar incentive awards to CEOs at a peer group of companies selected by the Committee from time to time, and the awards given to the CEO in past years.

No director who does not meet the standards of independence, as the same may be defined under applicable law, rule or listing standards, shall participate in any way in decisions related to the CEO's compensation.

B. Executive Compensation and Benefits

In addition to the responsibilities specifically applicable to CEO compensation, the Committee also shall be responsible for reviewing and approving the following with respect to all the Company's Executives:

1. Annual base salary levels;
2. Annual incentive opportunity levels and targets;
3. Long-term incentive opportunity levels and targets;
4. Company stock ownership targets;
5. Employment agreements, severance arrangements or plans, change in control agreements or plans, and perquisite programs; and
6. Any special or supplemental benefit plans, programs or provisions.

C. Non-Employee Director Compensation

Although the Corporate Governance Committee has the primary responsibility for working with the CEO in establishing non-employee director compensation, the Committee shall assist the Corporate Governance Committee and the CEO in the evaluation of non-employee director compensation practices and the development of the Company's non-employee director compensation philosophy.

D. Compensation and Benefit Plan Design and Administration

1. The Committee shall be responsible for evaluating and making recommendations to the Board regarding the Company's overall compensation philosophy and structure, the design of incentive-compensation plans in which Executives and Key Managers participate and all equity-based plans.
2. Except as otherwise provided in the relevant plan or limited by the Board, the Committee shall be responsible for establishing the incentive compensation goals and/or performance measurements applicable to the Company's Executives and, at the conclusion of the relevant performance periods, for determining the level of achievement of each Executive relative to the goals and/or measurements applicable to such Executive.
3. Subject to the provisions of the relevant plan, applicable law and any limitation of authority imposed by the Board, the Committee also shall be responsible for overseeing the administration of the Company's equity-based plans, deferred compensation plans, benefit plans, retirement plans and ERISA excess plans.
4. The Committee will consider the results of shareholder advisory votes on executive compensation matters and the changes, if any, to the Company's executive compensation policies, practices and plans that may be warranted because of any such vote.
5. In discharging these responsibilities, the Committee shall consider the level of risk associated with the design of the Company's compensation programs. Recognizing that any success in business entails some degree of risk-taking, it is the intention of the Company that its incentive-based compensation programs should reward employees for achieving business results that deliver value to shareholders, without creating incentives for employees to take inappropriate risks in achieving such results.

E. Human Capital Management

The Committee will oversee the Company's human capital management programs and related outcomes, including programs with respect to talent development, executive succession planning, attraction and retention; competitive pay and benefits; and diversity and inclusion.

F. Consultants and Advisors

The Committee is empowered to retain consultants, counsel, and other advisors to assist in the conduct of activities within its general scope of responsibility. The Committee shall assess the independence of each such consultant, counsel or other advisor in accordance with the rules and regulations promulgated by the Securities and Exchange Commission and the NYSE. To the extent a compensation consultant is to be retained to assist in the evaluation of director, CEO or Executive compensation, the Committee shall have the sole authority to retain and terminate the consultant, including sole authority to approve the consultant's fees and other terms of engagement. The Committee shall not be required to implement or act consistently with the advice or recommendations of any such consultant, counsel or other advisor.

G. Other Functions

The Committee also will perform such other functions as may be delegated to it by the Board from time to time, and the scope of authority delegated herein to the Committee shall include the authority to engage in other activities falling within the general scope of the Committee's responsibilities. The scope of authority delegated herein to the Committee shall include the power to delegate its authority to subcommittees or to one or more members of the Committee as deemed appropriate.

Leadership issues considered by the Committee, including any risks that the Committee identifies in the course of performing its responsibilities that are likely to have a material and adverse impact on the Company's business and the summary of steps and mitigating activities used by the Company to monitor and manage such risks. The Committee will review and reassess the adequacy of this charter annually and recommend any proposed changes to the Board for approval. The Committee also will periodically evaluate its performance, but no less often than annually.