

## **DELUXE CORPORATION AUDIT COMMITTEE CHARTER**

### **Purpose**

The Audit Committee is appointed by Deluxe Corporation's (the "Company") Board of Directors ("Board") to assist the Board in monitoring (1) the integrity of the Company's financial statements and related financial reporting, (2) the qualifications, independence and performance of the Company's internal audit function and independent auditors, (3) the adequacy of the Company's accounting processes and financial controls, including in deterring fraud, (4) the adequacy of the Company's processes to identify, assess and manage key risks, and (5) the Company's compliance with the Code of Business Ethics and applicable legal and regulatory requirements.

### **Committee Membership**

The Audit Committee shall consist of no fewer than three members, each of whom shall meet the independence and experience requirements of the New York Stock Exchange (the "NYSE"), the Securities Exchange Act of 1934 (the "Exchange Act"), and the rules and regulations of the Securities and Exchange Commission (the "SEC"). To the extent deemed practicable by the Board, at least one member of the Audit Committee shall be a financial expert as defined by the SEC. Audit Committee members shall not simultaneously serve on the audit committees of more than two other public companies unless the Board determines that such simultaneous service would not impair the ability of such member to effectively serve on the Audit Committee.

The members of the Audit Committee shall be appointed by the Board on the recommendation of the Corporate Governance Committee and may be replaced by the Board.

### **Meetings**

The Audit Committee will meet as often as it deems necessary or prudent, but not less frequently than quarterly. The Audit Committee shall meet periodically with management, the Vice President, Assurance and Risk Advisory Services (or the equivalent internal audit personnel) (referred to herein as the "Internal Auditor"), General Counsel, and the independent auditor in separate executive sessions. The Audit Committee may request any officer or employee of the Company, outside counsel or independent auditor to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee.

### **Committee Authority and Responsibilities**

The Audit Committee shall have the authority to appoint or replace the independent auditor, and it shall have the sole authority to establish and approve the terms of the audit engagement, including the audit fees. The Board, on the recommendation of the Audit Committee, shall, however, each year submit the selection of the independent auditors to the Company's shareholders for ratification at the Company's regular meeting of shareholders.

The independent auditor shall report directly to the Audit Committee, and the Audit Committee shall be responsible for overseeing the work of the independent auditor for the purpose of preparing or issuing an audit report or related work. The Audit Committee shall preapprove all auditing services and permitted non-audit services, including the fees and terms thereof, to be performed for the Company by its independent auditor, to the extent such pre-approval is required by the Exchange Act or the SEC's rules. To the extent consistent with applicable laws, rules and regulations, the Audit Committee may delegate its

authority to subcommittees consisting of one or more members, including the authority to grant preapprovals of audit and permitted non-audit services.

The Audit Committee shall have the authority, to the extent it deems necessary or appropriate, to retain 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 auditor for the purpose of rendering or issuing an audit report, to any advisors employed by the Audit Committee, and for ordinary administrative expenses of the Audit Committee that are necessary or appropriate in carrying out its duties.

The Audit Committee shall make and file such reports or statements, and take such further actions, as may be required by the rules of the NYSE or SEC, including, without limitation, the audit committee report required to be included in the Company's annual proxy statement.

To the extent it deems necessary or appropriate, the Audit Committee shall perform the following functions:

#### **Financial Statement and Disclosure Matters**

1. Meet to review and discuss with management and the independent auditor the annual audited financial statements, including a review of the Company's specific disclosures under Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A"), the Company's annual internal controls report and the independent auditor's attestation on the effectiveness of the Company's internal control over financial reporting, and recommend to the Board whether the audited financial statements should be included in the Company's Form 10-K.
2. Meet to review and discuss with management and the independent auditor the Company's quarterly financial statements, including a review of the Company's specific disclosures under MD&A and the results of the independent auditor's review of the quarterly financial statements, prior to the filing of its Forms 10-Q.
3. Discuss with management and the independent auditor significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements, including any significant changes in the Company's selection or application of accounting principles, any major issues as to the adequacy of the Company's internal controls and any special steps adopted in light of material control deficiencies.
4. Review and discuss with the independent auditors:
  - (a) the Company's critical accounting policies and practices;
  - (b) alternative treatments of financial information within generally accepted accounting principles that have been discussed with management and ramifications of the use of such alternatives, and the treatment preferred by the independent auditor;
  - (c) other material written communications between the independent auditor and management, such as any management letter or schedule of unadjusted differences; and
  - (d) any critical audit matters.

5. Discuss with management the Company's earnings press releases, including the use of any "pro forma" or "adjusted" non-GAAP information, as well as financial information and earnings guidance provided to analysts and rating agencies. Such discussions may be limited to discussing the types of information to be disclosed and the types of presentations to be made, and need not entail the Committee's review of the specific format of such information and/or presentations.
6. Discuss with management and the independent auditor the effect of regulatory and accounting initiatives as well as off-balance sheet structures on the Company's financial statements.
7. Discuss with management the Company's enterprise risk management processes, policies and guidelines for identifying, assessing and managing key risks, including fraud.
8. Discuss with management and report to the Board, any risks that are likely to have a material and adverse impact on the Company's business, including such risks as are described in the Company's filings with the SEC, and the steps and mitigating activities used by the Company to monitor and manage such risks and deter fraud.
9. Meet separately with the independent auditor, with and without management present, to discuss the matters required to be discussed by applicable auditing standards relating to the conduct of the audit, including any difficulties encountered in the course of the audit work, any restrictions on the scope of activities or access to requested information, and any significant disagreements with management.
10. Review any issues identified by management in conjunction with their certification of the Company's periodic reports under the Exchange Act regarding the effectiveness of the Company's internal controls and any fraud involving management or other employees who have a significant role in the Company's internal controls.

#### **Oversight of the Company's Relationship with the Independent Auditor**

11. Obtain and review a report from the independent auditor at least annually regarding (a) the independent auditor's internal quality-control procedures, (b) any material issues raised by the most recent internal quality-control review, or peer review, of the firm, or by any inquiry or investigation by governmental or professional authorities within the preceding five years respecting one or more independent audits carried out by the firm, (c) any steps taken to deal with any such issues, and (d) all relationships between the independent auditor and the Company. Evaluate the qualifications, performance and independence of the independent auditor, including considering whether the provision of permitted non-audit services is compatible with maintaining the auditor's independence, and taking into account the opinions of management and internal auditors. The Audit Committee shall present its conclusions with respect to the independent auditor to the Board.
12. Ensure the rotation of independent auditor personnel as required by applicable law, rule or regulation, and periodically consider whether, in order to assure continuing auditor independence, there should be some regular rotation of the audit firm itself.
13. Establish policies for the Company's hiring of employees or former employees of the independent auditor.
14. Meet with the independent auditor prior to the audit to discuss the planning and staffing of the audit.

### **Oversight of the Company's Internal Audit Function**

15. At least annually review the internal audit charter. Review the appointment, replacement, performance and remuneration of the Internal Auditor, who shall report directly to the Audit Committee, and otherwise oversee the work and performance of the internal auditing department.
16. Review the significant findings in reports to management prepared by the internal auditing department and management's responses.
17. Discuss with the independent auditor and management the internal audit department responsibilities, risk assessment and resulting plan, including budget and staffing, and any recommended changes in the planned scope of the internal audit.

### **Compliance Oversight Responsibilities**

18. Review with the independent auditor any issues having potential implications under Section 10A(b) of the Exchange Act.
19. Review and approve related person transactions, consistent with the Company's Policy and Procedures with Respect to Related Person Transactions.
20. Review the implementation and effectiveness of the Company's Code of Business Ethics and its legal and ethical compliance programs and maintain procedures for the receipt, retention and handling of any complaint received by the Company regarding accounting, internal accounting, controls or auditing matters, and the submission of complaints by employees on a confidential and anonymous basis of concerns regarding accounting or auditing matters.
21. Review with management, the Internal Auditor, and the independent auditor the Company's and its affiliated entities' conformity with applicable legal requirements and the Company's Code of Business Ethics and its other ethics and compliance policies and provide periodic reports to the Board regarding the same.
22. Discuss with management and the independent auditor any correspondence with regulators or governmental agencies which raise material issues regarding the Company's financial statements or accounting policies.
23. Discuss with the Company's internal and/or outside counsel legal matters that may have a material impact on the financial statements or the Company's compliance policies.

## **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.

The Committee will make regular reports to the Board on Committee actions and any significant issues considered by the Committee. The Committee will review and re-assess 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.

## **Limitation of Audit Committee's Role**

While the Audit Committee has the responsibilities and powers set forth in this Charter, its core function is oversight. 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. Management is responsible for the quality, accuracy and integrity of the Company's accounting practices, financial statements and reporting and system of internal controls. The independent auditor's responsibility is to express opinions on the Company's financial statements and on the Company's internal control over financial reporting based on its audits.