

DELUXE CORPORATION COMPENSATION COMMITTEE CHARTER

Purpose

The Compensation 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"). 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 determining 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 producing an annual report on executive compensation for inclusion in the Company's proxy statement.

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"). The 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.

Meetings

The Committee shall meet at such times as it determines to be necessary or appropriate, but not less 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

1. The Committee shall review and approve corporate goals and objectives relevant to CEO compensation, evaluate the CEO's performance in light of those goals and objectives, and determine the CEO's compensation levels based on this evaluation. In determining 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 comparable companies, and the awards given to the CEO in past years.

2. While the matter of determining CEO compensation has been delegated to this Committee, when considering matters pertaining to CEO compensation, it is expected that the Committee shall engage the entire Board in its evaluations of the CEO's performance and appropriate level of 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 of 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, change in control agreements or provisions, and perquisite programs; and
6. Any special or supplemental benefit plans, programs or provisions.

C. Director Compensation

Although the Corporate Governance Committee has the primary responsibility for working with the CEO in establishing director compensation, the Committee shall assist the Corporate Governance Committee and the CEO in the evaluation of director compensation practices and the development of the Company's 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, and shall be responsible for determining the formula pursuant to which contributions to any profit-sharing plan shall be made.

E. Consultants and Advisors

The Committee is empowered to retain consultants, counsel and other advisors to assist it in the conduct of activities within its general scope of responsibility. 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.

F. 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 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 shall periodically evaluate its performance, but no less often than annually.