



## **CPI CARD GROUP INC.**

### **COMPENSATION COMMITTEE CHARTER**

#### **Statement of Purpose**

This charter governs the operations of the compensation committee (the “Committee”) of the board of directors (the “Board”) of CPI Card Group Inc. (the “Company”). The purpose of the Committee is to review and report to the Board on compensation and personnel policies, programs and plans, including management development and successions plans, and to approve and administer employee and director compensation programs. The Committee shall provide assistance to the Board in fulfilling its responsibilities regarding the following: (a) the compensation of the Chief Executive Officer (the “CEO”); (b) the compensation of the Company’s “officers” as defined under Rule 16a-1 under the Securities Exchange Act of 1934, as amended (the “executive officers”), including overseeing the administration of the Company’s equity incentive plans, policies, practices and programs; (c) the compensation of the directors; and (d) such other duties, responsibilities and activities as may be set forth in this charter or directed by the Board.

#### **Membership**

The Committee shall consist of at least three (3) directors. Each member of the Committee shall be “independent” as defined under the listing requirements, standards or rules of any applicable securities exchange and/or inter-dealer quotation system on which the Company’s securities are listed and/or traded, to the extent required by such requirements, standards or rules. In addition, at least two (2) members of the Committee shall be “non-employee directors” as defined under Rule 16b-3 under the Securities Exchange Act of 1934, as amended. It shall be the responsibility of the Board to determine, in its judgment, whether a member is independent of management and free from any relationship or service to the Company that might interfere with his or her exercise of independent judgment in carrying out his or her responsibilities as a Committee member.

#### **Committee Organization and Procedures**

The members and chairperson shall be appointed by action of the Board and shall serve at the discretion of the Board. Appointments to the Committee shall conform to the Company’s bylaws, this charter and applicable legal and regulatory criteria, as appropriate under the circumstances. The chairperson shall preside over the meetings of the Committee and may call special meetings, in addition to those regularly scheduled, and is responsible for reporting to the Board the actions and recommendations of the Committee as appropriate. In the event the chairperson is not present at a Committee meeting, the Committee members who are present shall designate one member of the Committee to serve as chair of that meeting.

The Committee shall have the authority to establish its own rules and procedures consistent with the bylaws of the Company for notice and conduct of its meetings should the Committee, in its discretion, deem it desirable to do so. A majority of the members of the Committee, present in person or by telephone, video conference or similar means of remote communication, shall constitute a quorum for the transaction of business and the action of a majority of the members present at any meeting at which there is a quorum shall be the act of the Committee. Unless otherwise stated herein or established by the Committee, the Committee shall be governed by the

same procedural rules, including rules regarding meetings, actions without meetings, notices and waivers of notice, as are applicable to the Board.

The Committee may, in its discretion and only to the extent consistent with applicable law, regulations and the Company's compensation and incentive plans, delegate certain of its authority to a subcommittee of the Committee, the CEO or another executive officer, including with respect to matters relating to the compensation and election as officers of the Company's employees other than the Company's CEO and executive officers. The Committee shall have the authority to cause investigations to be made of such matters within the scope of the Committee's purposes and responsibilities as the Committee may deem appropriate. Such investigations may be made by the Company's employees or such other persons or firms as the Committee may direct. The Committee may require officers and employees of the Company to produce such information and reports, including reports to be provided annually or on other regular bases, as the Committee may deem appropriate.

In order to carry out its duties under this charter, the Committee shall have full access to any relevant records of the Company and is authorized, in its sole discretion, to select, retain, oversee, terminate and approve the fees and other retention terms of any compensation consultant, independent counsel or other adviser (collectively, "advisers"), as the Committee deems appropriate, without seeking the approval of management or the Board. Prior to retaining or receiving advice from such advisers (other than in-house counsel) to assist it in the performance of its duties, the Committee shall take into consideration the factors relevant to the advisers' independence from management as specified in listing requirements, standards or rules of any applicable securities exchange and/or inter-dealer quotation system on which the Company's securities are listed and/or traded. The Company shall provide appropriate funding to permit the Committee to perform its duties under this charter and for the payment of any such fees. Nothing in this paragraph shall be construed to (a) require the Committee to implement or act consistently with the advice or recommendations of the compensation consultant, independent legal counsel or other adviser; or (b) affect the ability or obligation of the Committee to exercise its own judgment in fulfillment of its duties.

The Committee shall review and discuss with management, if appropriate, any conflicts of interest raised by the work of any compensation consultant that had any role in determining or recommending the amount or form of executive compensation or was retained by the Committee or management and how such conflict is being addressed for disclosure in the Company's annual proxy statement in accordance with applicable SEC rules and regulations.

### **Responsibilities**

In fulfilling its responsibilities, the Committee shall:

1. In consultation with executive management, approve the Company's executive compensation philosophy and oversee and monitor the Company's executive compensation policies, plans and programs for the executive officers to ensure that they are consistent with the Board's compensation philosophy and objectives, as well as the long-term interests of the Company's stockholders.

2. Review and approve, at least annually, the corporate goals and objectives relevant to the compensation of the CEO.
3. Approve the compensation, including any incentive compensation, of the CEO and, with respect to any incentive compensation, consider all relevant factors, including the Company's performance based on certain performance measures chosen by the Committee, stockholder return both absolute and relative to a group of peer companies, an industry group or an index, the value of similar awards to chief executive officers of comparable companies, including a select peer group, the awards given to the CEO in past years and such other factors as the Committee deems appropriate. The CEO shall not be present during deliberations and voting related to the CEO's compensation.
4. Review and approve, at least annually and in consultation with the CEO as appropriate, the compensation, including incentive compensation, for the executive officers (other than the CEO) of the Company.
5. Evaluate and make recommendations to the Board regarding the adequacy and effectiveness of non-employee director compensation, including mix of cash and equity compensation, consideration of other peer companies, trends and developments in non-employee director compensation.
6. Provide and approve the report of the Committee, if such report is required, to be included as part of the Company's Form 10-K or annual proxy statement, as applicable, in accordance with applicable rules and regulations.
7. Review and approve with the Company's management the Compensation Discussion and Analysis ("CD&A") if it is required that the CD&A be included in the Company's Form 10-K or annual proxy statement and, based on such discussions, determine whether to recommend to the Board that the CD&A be included in the Company's Form 10-K or annual proxy statement, as applicable. Review and approve the compensation tables and accompanying narrative disclosure to be included in the Company's Form 10-K or annual proxy statement, as applicable.
8. Review the results of any advisory stockholder votes on executive compensation and consider whether to recommend adjustments to the Company's executive compensation policies and practices in light of such votes.
9. Review, approve and recommend to the Board, as appropriate, any new incentive compensation plans, including equity-based plans and, as may be required, any amendments to existing plans relative to the executive officers of the Company.
10. Act as the administrative committee for the Company's employee stock option, stock incentive and stock purchase plans, with the authority delegated to it under the terms of the plan(s).
11. Review and approve, as appropriate, any employment agreement, change in control agreement, severance agreement or other contractual commitments between the Company and any executive officer.

12. Oversee the Company's reporting to regulatory authorities, stockholders and other constituencies with respect to compensation matters.
13. Review and assess the adequacy of this charter annually and recommend any proposed changes to the Board for approval.
14. Evaluate its own performance annually and provide the Board with any recommendations for changes in procedures or policies governing the Committee. The Committee shall conduct such evaluation and review in such manner as it deems appropriate.
15. Discharge any other duties, responsibilities or activities delegated to the Committee by the Board from time to time or by any of the Company's incentive plans.
16. Review and consider on an annual basis whether the compensation policies and practices for all employees promote excessive risk-taking and whether they are reasonably likely to have a material adverse effect on the Company in accordance with Securities and Exchange Commission rules.
17. Determine and oversee the share ownership guidelines applicable to Company executives and nonemployee directors and monitor compliance with such guidelines. Additionally, the Committee shall review and approve the creation or revision of any clawback policy allowing the Company to recoup compensation paid to employees.
18. The Company generally prohibits hedging and speculative transactions. The Committee may adopt and revise additional policies regarding the ability of any employee or Board member, or any designee of such employee or member, to purchase financial instruments that are designed to hedge or offset any decrease in the market value of equity securities (i) granted to the employee or Board member by the Company as part of the compensation of the employee or Board member; or (ii) held, directly or indirectly, by the employee or Board member, consistent with Section 14 of the Exchange Act.
19. Review periodically the Company's strategies and policies related to human capital management, including with respect to matters such as diversity and inclusion, employee engagement and talent development.
20. Periodically review and revise a peer group of companies against which to assess the Company's compensation programs and practices to ensure they are competitive and supportive of the Company's strategy and objectives.
21. To the extent required by listing requirements, standards or rules of any applicable securities exchange and/or inter-dealer quotation system on which the Company's securities are listed and/or traded, oversee the Company's compliance with any such requirements, standards or rules regarding shareholder approval of equity compensation plans, and provide recommendations to the Board on compensation-related proposals to be considered at the Company's annual meeting, including equity plans.
22. Ensure that appropriate programs and procedures are established to provide for the development, selection, retention, and succession of the executive officers.

The list of activities set forth above is not an exhaustive list of all of the permitted activities of the Committee, and the Committee may take such other actions as its members from time to time deem necessary or appropriate.

It shall be the responsibility of each member of the Committee to immediately disclose to the chairperson of the Committee any relationship that, either in fact or in appearance, might impact the independent judgment of such member in his or her service as a member of the Committee.

The Committee shall have access to information necessary to evaluate the compensation and benefit programs of the Company. Information includes compensation and benefits histories, competitive performance data and technical summaries of relevant tax, accounting and legal codes.

### **Meetings**

The Committee shall meet as frequently as the members of the Committee in their discretion deem desirable, but no less frequently than quarterly. The Committee may also hold special meetings that may be called by telephone or written notice by the chairperson of the Committee. The Committee shall cause to be kept adequate minutes of its proceedings and shall report periodically, as deemed necessary or desirable by the Committee, to the Board regarding the Committee's actions and recommendations. The Committee may have in attendance such representatives of executive management, consultants, advisors or others as it may deem necessary to provide the necessary information to carry out its duties; provided that the CEO may not be in attendance during any voting, discussions or deliberations regarding the compensation of the CEO.

### **Reporting to Board**

The Committee shall report as to its activities to the Board and, where appropriate, its recommendations for action by the Board. Certain action by the Committee may be similarly reported to the Board for approval or ratification.

### **Miscellaneous**

Nothing contained in this charter is intended to expand applicable standards of liability under statutory or regulatory requirements for the directors of the Company or members of the Board or the Committee. The purposes and responsibilities outlined in this charter are meant to serve as guidelines rather than as inflexible rules, and the Committee is encouraged to adopt such additional procedures and standards as it deems necessary from time to time to fulfill its responsibilities. This charter, as amended from time to time, shall be displayed on the Company's website, and a printed copy of such shall be made available to any stockholder of the Company who requests it.

This charter may be amended or modified only by the Board.

Revised: 9/22/2021

Reviewed: 10/2023