

CARDTRONICS INC  
Form DEF 14A  
April 29, 2008

**Table of Contents**

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**

**SCHEDULE 14A INFORMATION**

Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934  
(Amendment No.    )

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to Section 240.14a-12

CARDTRONICS, INC.

**(Name of Registrant as Specified in its Charter)**

**(Name of Person(s) Filing Proxy Statement, if other than the Registrant)**

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of the transaction:

(5) Total fee paid:

Fee paid previously with preliminary materials.

- o Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.

(3) Filing Party:

(4) Date Filed:

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**Table of Contents**

**CARDTRONICS, INC.  
3110 HAYES ROAD, SUITE 300  
HOUSTON, TEXAS 77082**

**May 5, 2008**

Dear Stockholder:

You are cordially invited to attend our annual meeting of stockholders to be held at 4:00 p.m., on June 11, 2008, at the Marriott Westchase Hotel, located at 2900 Briarpark Drive, Houston, Texas 77042.

At the annual meeting, you will be asked to consider and vote upon (i) the re-election of Robert B. Barone and Jorge M. Diaz as Class I directors and (ii) the ratification of the Audit Committee's selection of KPMG LLP as the independent public accounting firm of the Company for the fiscal year ending December 31, 2008. Our board of directors has determined that the election of these directors and ratification of KPMG LLP as our independent registered public accounting firm are in the best interests of our stockholders, and our board of directors recommends that you vote FOR both of these measures.

Details regarding the matters to be acted upon at the annual meeting appear in the accompanying proxy statement. Please give this material your careful attention.

Whether or not you are able to attend the annual meeting, it is important that your shares be represented and voted. Accordingly, be sure to complete, sign and date the enclosed proxy card and mail it in the envelope provided as soon as possible so that your shares may be represented at the meeting and voted in accordance with your wishes. If you do attend the annual meeting, you may vote in person even if you have previously returned your proxy card.

On behalf of our board of directors and management, thank you for your continued support of Cardtronics, Inc.

Very truly yours,

Fred Lummis  
*Chairman*

Jack M. Antonini  
*President and Chief Executive Officer*

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**Table of Contents**

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS AND PROXY STATEMENT**

May 5, 2008

Dear Stockholder:

Notice is hereby given that the 2008 Annual Meeting of Stockholders of Cardtronics, Inc., a Delaware corporation, will be held on June 11, 2008, at 4:00 p.m., central time, at the Marriott Westchase Hotel, 2900 Briarpark Drive, Houston, Texas 77042. At the Annual Meeting, stockholders will be asked to:

1. Elect two Class I directors to the Board of Directors to serve until the 2011 Annual Meeting of Stockholders;
2. Ratify the Audit Committee's selection of KPMG LLP as the independent registered public accounting firm of Cardtronics, Inc. for the fiscal year ending December 31, 2008; and
3. Transact such other business as may properly come before the meeting or any adjournments or postponements of the meeting.

Only stockholders of record at the close of business on April 18, 2008 are entitled to notice of and to vote at the Annual Meeting. A list of stockholders will be available commencing May 28, 2008 and may be inspected at our offices during normal business hours prior to the Annual Meeting. The list of stockholders will also be available for review at the Annual Meeting. In the event there are not sufficient votes for a quorum or to approve the items of business at the time of the Annual Meeting, the Annual Meeting may be adjourned in order to permit further solicitation of proxies.

These materials include the formal notice of the meeting, proxy statement, and financial statements. The proxy statement tells you about the agenda and related matters for the meeting. It also describes how the Board of Directors operates, gives information about its director candidates, and provides information about the other items of business to be conducted at the meeting.

**Even if you plan to attend the Annual Meeting, please sign, date and return the enclosed proxy card as promptly as possible to ensure that your shares are represented. If you attend the Annual Meeting, you may withdraw any previously submitted proxy and vote in person.**

Sincerely,

Michael E. Keller  
*General Counsel and Secretary*

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**PROXY STATEMENT**

**TABLE OF CONTENTS**

<u>ABOUT THE ANNUAL MEETING</u>	1
<u>ELECTION OF CLASS I DIRECTORS (PROPOSAL NO. 1)</u>	5
<u>CORPORATE GOVERNANCE</u>	7
<u>STOCK OWNERSHIP MATTERS</u>	13
<u>EXECUTIVE OFFICERS</u>	16
<u>COMPENSATION DISCUSSION AND ANALYSIS</u>	17
<u>COMPENSATION COMMITTEE REPORT</u>	25
<u>EXECUTIVE COMPENSATION</u>	25
<u>DIRECTOR COMPENSATION</u>	34
<u>COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION</u>	34
<u>CERTAIN RELATIONSHIPS AND RELATED PERSON TRANSACTIONS</u>	34
<u>RATIFICATION OF THE SELECTION OF THE INDEPENDENT REGISTERED PUBLIC</u>	
<u>ACCOUNTING FIRM (PROPOSAL NO. 2)</u>	37
<u>AUDIT MATTERS</u>	37
<u>PROPOSALS FOR THE 2009 ANNUAL MEETING OF STOCKHOLDERS</u>	38
<u>OTHER MATTERS</u>	39
<u>ANNUAL REPORT TO STOCKHOLDERS</u>	39
<u>DIRECTIONS TO 2008 ANNUAL MEETING OF STOCKHOLDERS</u>	40

**Table of Contents**

**CARDTRONICS, INC.**  
3110 Hayes Road, Suite 300  
Houston, Texas 77082

**PROXY STATEMENT**

These proxy materials are furnished to you in connection with the solicitation of proxies by the Board of Directors ( Board ) of Cardtronics, Inc. for use at our 2008 Annual Meeting of Stockholders and any adjournments or postponements of the meeting (the Annual Meeting ). The Annual Meeting will be held on June 11, 2008, at 4:00 p.m., central time, at the Marriott Westchase Hotel, 2900 Briarpark Drive, Houston, Texas 77042.

The Notice of Annual Meeting, this proxy statement, the enclosed proxy card and our Annual Report on Form 10-K for the fiscal year ended December 31, 2007 are being mailed to stockholders beginning on or about May 1, 2008.

**ABOUT THE ANNUAL MEETING**

**What is the purpose of the 2008 Annual Meeting of Stockholders?**

At the Annual Meeting, our stockholders will be asked to (1) elect two directors to serve until the 2011 Annual Meeting of Stockholders and until their successors are duly elected, (2) ratify the Audit Committee s selection of KPMG LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2008 and (3) transact such other business as may properly come before the Annual Meeting and any adjournments or postponements of the Annual Meeting.

**Why did I receive these proxy materials?**

You received these proxy materials from us in connection with the solicitation by our Board of proxies to be voted at the Annual Meeting because you owned our common stock as of April 18, 2008. We refer to this date as the record date.

This proxy statement contains important information for you to consider when deciding how to vote your shares at the Annual Meeting. Please read this proxy statement carefully.

**What is a proxy?**

A proxy is your legal designation of another person to vote the shares that you own. That other person is called a proxy. If you designate someone as your proxy in a written document, that document is also called a proxy or a proxy card. Your Board has appointed J. Chris Brewster and Michael E. Keller (the Proxy Holders ) to serve as proxies for the Annual Meeting. If you are a stockholder of record (as discussed in more detail below), your shares will be voted by the Proxy Holders in accordance with the instructions on the proxy card you submit by mail. If you do not provide instructions on the proxy card, the Proxy Holders will vote in accordance with the recommendations of the Board. See What are the recommendations of the Board? for additional information.





## **Table of Contents**

### **What does it mean if I receive more than one proxy card?**

If you receive more than one proxy card, then you own our common stock through multiple accounts at the transfer agent and/or with stockbrokers. Please sign and return all proxy cards to ensure that all of your shares are voted at the Annual Meeting.

### **What is the difference between holding shares as a stockholder of record and holding shares in street name?**

*Stockholder of Record.* If your shares are registered directly in your name with our transfer agent, Wells Fargo Bank, N.A., you are considered a stockholder of record with respect to those shares, and you are receiving these proxy materials directly from us. As the stockholder of record, you have the right to mail your proxy directly to us or to vote in person at the Annual Meeting.

*Street Name Stockholder.* If your shares are held in a stock brokerage account, by a bank or other holder of record (commonly referred to as being held in street name), you are the beneficial owner with respect to those shares and these proxy materials are being forwarded to you by that custodian. As summarized below, there are distinctions between shares held of record and those held beneficially.

### **How many votes must be present to hold the Annual Meeting?**

There must be a quorum for the Annual Meeting to be held. A quorum is the presence at the Annual Meeting, in person or by proxy, of the holders of a majority of the shares of common stock issued and outstanding on the record date. As of the record date, there were 38,572,207 shares of our common stock outstanding. Consequently, the presence of the holders of at least 19,286,104 shares of common stock, in person or by proxy, is required to establish a quorum for the Annual Meeting.

### **How many votes do I have?**

You are entitled to one vote for each share of common stock that you owned on the record date on all matters considered at the Annual Meeting.

### **How do I vote my shares?**

*Stockholder of Record.* Shares held directly in your name as the stockholder of record can be voted in person at the Annual Meeting or you can provide a proxy to be voted at the Annual Meeting by signing and dating the enclosed proxy card and returning it in the enclosed postage-paid envelope. If you plan to vote in person at the Annual Meeting, please bring proof of identification. Even if you currently plan to attend the Annual Meeting, we recommend that you also submit your proxy as described above so that your vote will be counted if you later decide not to attend the Annual Meeting.

*Street Name Stockholder.* If you hold your shares in street name (for example, at your brokerage account), please follow the instructions provided by your bank, broker or other holder of record (the record holder). Shares held in street name may be voted in person by you at the Annual Meeting only if you obtain a signed proxy from the record holder giving you the right to vote the shares. If you hold your shares in street name and wish to simply attend the Annual Meeting, please bring proof of ownership and proof of identification.

### **What are the recommendations of the Board?**

Our Board recommends that you vote:

**FOR** the election of the two nominated Class I directors; and

**FOR** the proposal to ratify the Audit Committee's selection of KPMG LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2008.

## **Table of Contents**

### **Can I change my vote after I return my proxy card?**

Yes. Even after you have returned your proxy card, you may revoke your proxy at any time before it is exercised by (1) submitting a written notice of revocation to our Secretary, Michael E. Keller, by mail to Cardtronics, Inc., 3110 Hayes Road, Suite 300, Houston, Texas 77082 or by facsimile at (281) 892-0102, (2) mailing in a new proxy card bearing a later date or (3) attending the Annual Meeting and voting in person, which suspends the powers of the Proxy Holders.

If you are a street name stockholder, you may change your vote by submitting new voting instructions to your bank, broker or nominee in accordance with that entity's procedures.

### **Could other matters be decided at the Annual Meeting?**

At the time this proxy statement went to press, we did not know of any matters to be raised at the Annual Meeting other than those referred to in this proxy statement.

With respect to any other matter that properly comes before the Annual Meeting, the Proxy Holders will vote the proxies as recommended by our Board or, if no recommendation is given, in their own discretion.

### **What is the effect of abstentions and broker non-votes and what vote is required to approve each proposal discussed in this proxy statement?**

Abstentions and Broker Non-votes. Abstentions and broker non-votes are counted for purposes of determining the presence or absence of a quorum for the transaction of business. Abstentions occur when stockholders are present at the Annual Meeting but choose to withhold their vote for any of the matters upon which the stockholders are voting.

Broker non-votes occur when other holders of record (such as banks and brokers) that hold shares on behalf of beneficial owners do not receive voting instructions from the beneficial owners before the Annual Meeting and do not have discretionary authority to vote those shares if they do not receive timely instructions from the beneficial owners. For Proposal Nos. 1 and 2, to be voted on at the Annual Meeting, brokers will have discretionary authority in the absence of timely instructions from the beneficial owners. The effect of abstentions and broker non-votes on each proposal is set forth in more detail under Other Items below.

Election of Directors. A plurality of the votes cast is required for the election of directors. This means that the two director nominees receiving the highest number of affirmative votes of the shares present in person or represented by proxy at the Annual Meeting and entitled to vote will be elected to our Board. You may vote **FOR** or **WITHHOLD AUTHORITY** for each director nominee. If you **WITHHOLD AUTHORITY**, your votes will be counted for purposes of determining the presence or absence of a quorum, but will have no legal effect on the election of directors under Delaware law.

Other Items. For each other item properly presented for a vote, the affirmative vote of the holders of a majority of the shares represented in person or by proxy and entitled to vote on the item will be required for approval. You may vote **FOR**, **AGAINST** or **ABSTAIN** on our proposal to ratify the selection of our independent registered public accounting firm. If you **ABSTAIN**, your votes will be counted for purposes of establishing a quorum, and the abstention will have the same effect as a vote **AGAINST** the proposal. All shares are entitled to vote on this proposal. Therefore, broker non-votes, if any, will have the effect of a negative vote on this proposal.

### **Who is participating in this proxy solicitation and who will pay for its cost?**

We will bear the entire cost of soliciting proxies, including the cost of the preparation, assembly, printing and mailing of this proxy statement, the proxy card and any additional information furnished to our stockholders. In addition to this solicitation by mail, our directors, officers and other employees may solicit proxies by use of mail, telephone, facsimile, electronic means, in person or otherwise. These persons will not receive any additional compensation for assisting in the solicitation, but may be reimbursed for reasonable out-of-pocket expenses in connection with the solicitation.

## **Table of Contents**

We have retained Wells Fargo Shareowner Services to aid in the distribution of proxy materials and to provide voting and tabulation services for the Annual Meeting. For these services, we will pay Wells Fargo Shareowner Services a fee of approximately \$2,200 and reimburse it for certain expenses. In addition, we will reimburse brokerage firms, nominees, fiduciaries, custodians and other agents for their expenses in distributing proxy materials to the beneficial owners of our common stock.

### **May I propose actions for consideration at the next annual meeting of stockholders or nominate individuals to serve as directors?**

You may submit proposals for consideration at future stockholder meetings, including director nominations. Please see Corporate Governance Director Selection and Nomination Process and Proposals for the 2009 Annual Meeting of Stockholders for more details.

### **What is householding and how does it affect me?**

The Securities and Exchange Commission ( SEC ) has implemented rules regarding the delivery of proxy materials to households. This method of delivery, often referred to as householding, permits us to send a single annual report and/or a single proxy statement to any household at which two or more different stockholders reside where we believe the stockholders are members of the same family or otherwise share the same address or where one stockholder has multiple accounts. In each case, the stockholder(s) must consent to the householding process. Under the householding procedure, each stockholder continues to receive a separate notice of any meeting of stockholders and proxy card. Householding reduces the volume of duplicate information our stockholders receive and reduces our expenses. We may institute householding in the future and will notify our registered stockholders who will be affected by householding at that time.

Many banks, brokers and other holders of record have instituted householding. If you or your family has one or more street name accounts under which you beneficially own our common stock, you may have received householding information from your bank, broker or other holder of record in the past. Please contact the holder of record directly if you have questions, require additional copies of this proxy statement or our annual report or wish to revoke your decision to household and thereby receive multiple copies. You should also contact the holder of record if you wish to institute householding. These options are available to you at any time.

### **Whom should I contact with questions about the Annual Meeting?**

If you have any questions about this proxy statement or the Annual Meeting, please contact our Secretary, Michael E. Keller, at 3110 Hayes Road, Suite 300, Houston, Texas 77082 or by telephone at (281) 596-9988.

### **Where may I obtain additional information about Cardtronics, Inc.?**

We refer you to our Annual Report on Form 10-K for the fiscal year ended December 31, 2007 filed with the SEC on March 31, 2008. Our Annual Report on Form 10-K, including financial statements, is also included with your proxy mailing. Our Annual Report on Form 10-K is not part of the proxy solicitation material. You may also find information about us on our website at [www.cardtronics.com](http://www.cardtronics.com).

**IF YOU WOULD LIKE TO RECEIVE ADDITIONAL INFORMATION ABOUT CARDTRONICS, INC., PLEASE CONTACT OUR SECRETARY, MICHAEL E. KELLER, AT 3110 HAYES ROAD, SUITE 300, HOUSTON, TEXAS 77082.**



Table of Contents**ELECTION OF CLASS I DIRECTORS****(PROPOSAL NO. 1)****Our Director Nominees**

Our Board consists of seven members divided into three classes, with one class to be elected at each Annual Meeting of Stockholders to serve for a three-year term. The term of our incumbent Class I directors expires at the Annual Meeting; the term of our Class II directors expires at the 2009 Annual Meeting of Stockholders; and the term of our Class III directors expires at the 2010 Annual Meeting of Stockholders; with each director to hold office until his or her successor is duly elected and qualified or until his or her death, retirement, resignation or removal. Our Class I directors are Robert P. Barone and Jorge M. Diaz, our Class II directors are Tim Arnoult and Dennis F. Lynch, and our Class III directors are Jack Antonini, Fred R. Lummis and Michael A.R. Wilson.

Effective March 19, 2008, the Board, acting upon the recommendation of its Nominating & Governance Committee, nominated Robert P. Barone and Jorge M. Diaz for election as Class I directors at the Annual Meeting. Class I directors elected at the Annual Meeting will serve for a term to expire at the 2011 Annual Meeting of Stockholders, with each director to hold office until his successor is duly elected and qualified or until his earlier death, retirement, resignation or removal.

Unless authority to vote for a particular nominee is withheld, the shares represented by the enclosed proxy will be voted **FOR** the election of each of Robert P. Barone and Jorge M. Diaz as Class I directors. In the event that any nominee becomes unable or unwilling to serve, the shares represented by the enclosed proxy will be voted for the election of such other person as the Board may recommend in his place. We have no reason to believe that any nominee will be unable or unwilling to serve as a director.

A plurality of the shares cast at the Annual Meeting is required to elect each nominee as a director.

The names and certain information about the Class I director nominees, including their ages as of the Annual Meeting date, are set forth below:

<b>Name</b>	<b>Age</b>	<b>Position</b>
Robert P. Barone	70	Class I Director
Jorge M. Diaz	43	Class I Director

*Robert P. Barone* has served as a director since September 2001. Mr. Barone has more than 40 years of sales, marketing and executive leadership experience from the various positions he has held at Diebold, NCR, Xerox and the Electronic Funds Transfer Association. Since December 1999, Mr. Barone has served as a consultant for SmartNet Associates, Inc., a private consulting firm. Additionally, from May 1997 to November 1999, Mr. Barone served as Chairman of the Board of PetsHealth Insurance, Inc., a pet health insurance provider. From September 1988 to September 1994, he served as Board Vice-Chairman, President and Chief Operating Officer at Diebold. He holds a Bachelor of Business Administration degree from Western Michigan University and a Masters of Business Administration degree from Indiana University. A founder and past Chairman of the Electronic Funds Transfer Association, Mr. Barone is now Chairman Emeritus of the Electronic Funds Transfer Association.

*Jorge M. Diaz* has served as a director since December 2004. Mr. Diaz has served as Division President and Chief Executive Officer of Fiserv Output Solutions, a division of Fiserv, Inc., since April 1994. Fiserv Output Solutions provides card production services, statement processing and electronic document distribution services. In January 1985, Mr. Diaz co-founded National Embossing Company, a predecessor company to Fiserv Output Solutions. Mr. Diaz sold National Embossing Company to Fiserv in April 1994.

**OUR BOARD RECOMMENDS THAT STOCKHOLDERS VOTE FOR EACH OF  
THE DIRECTOR NOMINEES IDENTIFIED ABOVE.**



**Table of Contents****Continuing Directors**

In addition to the Class I directors elected at the Annual Meeting, the directors who will continue to serve on our Board after the Annual Meeting, their ages as of the Annual Meeting date, positions with Cardtronics, Inc. and other biographical information are set forth below:

<b>Name</b>	<b>Age</b>	<b>Position</b>
Fred R. Lummis	54	Class III Director
Jack Antonini	55	Class III Director
Tim Arnoult	59	Class II Director
Dennis F. Lynch	59	Class II Director
Michael A.R. Wilson	40	Class III Director

*Fred R. Lummis* has served as a director and Chairman of the Board since June 2001. In 2006, Mr. Lummis co-founded Platform Partners, LLC and currently serves as its Chairman and Chief Executive Officer. Prior to co-founding Platform Partners, Mr. Lummis co-founded and served as the managing partner of The CapStreet Group, LLC, CapStreet II, L.P. and CapStreet Parallel II, LP. Mr. Lummis continues to serve as a senior advisor to The CapStreet Group, LLC. From June 1998 to May 2000, Mr. Lummis served as Chairman of the Board and Chief Executive Officer of Advantage Outdoor Company, an outdoor advertising company. From September 1994 to June 1998, Mr. Lummis served as Chairman and Chief Executive Officer of American Tower Corporation, a nationwide communication tower owner and operator. Mr. Lummis currently serves as a director of Amegy Bancorporation Inc. and several private companies. Mr. Lummis holds a Bachelor of Arts degree in economics from Vanderbilt University and a Masters of Business Administration degree from the University of Texas at Austin.

*Jack Antonini* has served as our Chief Executive Officer, President and a director since January 2003. From November 2000 to December 2002, Mr. Antonini served as a consultant for JMA Consulting, providing consulting services to the financial industry. During 2000, Mr. Antonini served as Chief Executive Officer and President of Globeset, Inc., an electronic payment products and services company. From August 1997 to February 2000, Mr. Antonini served as Executive Vice President of consumer banking at First Union Corporation of Charlotte, N.C. From September 1995 to July 1997, he served as Vice Chairman and Chief Financial Officer of First USA Corporation, which was acquired by Bank One in June 1997. From 1985 to 1995, Mr. Antonini held various positions at San Antonio-based USAA Federal Savings Bank, serving as Vice Chairman, President and Chief Executive Officer from August 1991 to August 1995. He holds a Bachelor of Science degree in business and accounting from Ferris State University in Michigan. Mr. Antonini previously served as a director of the Electronic Funds Transfer Association.

*Tim Arnoult* was appointed as a director on January 24, 2008. Mr. Arnoult has over 30 years of banking and financial services experience. From 1979 to 2006, Mr. Arnoult served in various positions at Bank of America, including President of Global Treasury Services from 2005-2006, President of Global Technology and Operations from 2000-2005 and President of Central U.S. Consumer and Commercial Banking from 1996-2000. Mr. Arnoult is also experienced in mergers and acquisitions, having been directly involved in significant transactions such as the mergers of NationsBank and Bank America in 1998 and Bank of America and FleetBoston in 2004. Mr. Arnoult has served on a variety of boards throughout his career, including the board of Visa USA. Mr. Arnoult holds a Bachelor of Arts degree in psychology and a Masters of Business Administration degree from the University of Texas at Austin.

*Dennis F. Lynch* was appointed as a director on January 24, 2008. Mr. Lynch has over 25 years experience in the payments industry and has led the introduction and growth of various card products and payment solutions. Mr. Lynch currently serves as Chairman and Chief Executive Officer of RightPath Payments Inc., a company providing

business-to-business payments via the internet. From 1994 to 2004, Mr. Lynch served in various positions of NYCE Corporation, an electronic payments network, including serving as President and Chief Executive Officer from 1996 to 2004 and a director from 1992-2004. Prior to joining NYCE, Mr. Lynch served in a variety of information technology and product roles, ultimately managing Fleet s consumer payments portfolio. Mr. Lynch has served on a number of boards, including the

## **Table of Contents**

board of Open Solutions, Inc., a publicly-traded company delivering core banking products to the financial services market, from 2005-2007, was a founding director of the New England-wide YANKEE24 Network and served as its Chairman from 1988 to 1990. Additionally, Mr. Lynch has served on the Executive Committee and the board of the Electronic Funds Transfer Association. Mr. Lynch received his Bachelors and Masters degrees from the University of Rhode Island.

*Michael A.R. Wilson* has served as a director since February 2005. Mr. Wilson is a Managing Director at TA Associates, a private equity firm, where he focuses on growth investments and leveraged buyouts of financial services, business services, and consumer products companies. He currently serves on the boards of Advisory Research, Inc., Jupiter Investment Group, K2 Advisors LLC, and Numeric Investors. Prior to joining TA Associates in 1992, Mr. Wilson was a Financial Analyst in Morgan Stanley's Telecommunications Group. In 1994, he joined Affiliated Managers Group, a TA Associates-backed financial services start-up, as Vice President and a member of the founding management team. Mr. Wilson received a BA degree, with Honors, in Business Administration from the University of Western Ontario and a Masters of Business Administration degree, with Distinction, from Harvard Business School.

## **CORPORATE GOVERNANCE**

### **Our Governance Practices**

#### *General*

We are committed to good corporate governance. Our Board has adopted several governance documents, which include our Corporate Governance Principles, Code of Business Conduct and Ethics, Financial Code of Ethics and charters for each standing committee of our Board. Each of these documents is available on our website at [www.cardtronics.com](http://www.cardtronics.com).

#### *Code of Ethics*

Our Board has adopted a Code of Business Conduct and Ethics for our directors, officers and employees. In addition, our Board has adopted a Financial Code of Ethics for our principal executive officer, principal financial and accounting officer and other accounting and finance executives. A copy of each of code is available on our website at [www.cardtronics.com](http://www.cardtronics.com). Any change to, or waiver from, either code will be disclosed as required by applicable securities laws.

### **Our Board**

#### *Board Size*

Our Board is currently composed of seven directors, two of whom are seeking re-election at the Annual Meeting. Our Third Amended and Restated Certificate of Incorporation and our Second Amended and Restated Bylaws provide for a classified Board consisting of three classes of directors, each serving staggered three-year terms. As a result, stockholders will elect a portion of our Board each year. Class I directors' terms expire at this year's Annual Meeting, Class II directors' terms expire at the Annual Meeting of Stockholders to be held in 2009, and Class III directors' terms expire at the Annual Meeting of Stockholders to be held in 2010.

The Nominating & Governance Committee of our Board considers and makes recommendations to our Board concerning the appropriate size and needs of our Board and considers candidates to fill new positions created by expansion or vacancies that occur by resignation, retirement or any other reason.

***Director Independence***

As required under the listing standards of The NASDAQ Stock Market LLC ( NASDAQ ), a majority of the members of our Board must qualify as independent, as affirmatively determined by our Board. Our Board has delegated this responsibility to its Nominating & Governance Committee. Pursuant to its charter,

## **Table of Contents**

the Nominating & Governance Committee determines whether or not each director and each prospective director is independent.

The Nominating & Governance Committee evaluated all relevant transactions or relationships between each director, or any of his or her family members, and our company, senior management and independent registered accounting firm. Based on this evaluation, the Nominating & Governance Committee has determined that Messrs. Tim Arnoult, Robert P. Barone, Fred R. Lummis, Dennis Lynch and Michael A.R. Wilson are each an independent director, as that term is defined in the NASDAQ listing standards. Messrs. Arnoult, Barone, Lummis, Lynch and Wilson constitute a majority of the members of our Board. Mr. Antonini is not independent because he currently serves as our President and Chief Executive Officer. Mr. Diaz is not considered independent because of his employment with Fiserv Output Solutions, a division of Fiserv, Inc. In 2007, we paid approximately \$9.9 million in fees to Fiserv for services rendered to us.

### ***Meetings***

Our Board held a total of seven meetings and acted by written consent eight times during the fiscal year ended December 31, 2007. During the fiscal year ended December 31, 2007, all directors, save one, attended each of the Board meetings and the meetings held by committees on which they served. One director missed one Board meeting.

### ***Executive Sessions; Presiding Director***

According to our Corporate Governance Principles, which takes effect for fiscal 2008, our independent directors must meet in executive session at each quarterly meeting. Prior to the effectiveness of the Corporate Governance Principles, our independent directors met in executive session four times during the fiscal year ended December 31, 2007. The Chairman of the Board presides at these meetings and is responsible for preparing an agenda for the meetings of the non-management directors in executive sessions.

### ***Annual Meeting Attendance***

We do not have a formal policy regarding director attendance at annual meetings. However, our directors are expected to attend Board meetings and meetings of committees on which they serve and to spend the time needed and meet as frequently as necessary to properly discharge their responsibilities.

### ***Limitation on Public Company Board Service***

Our Board monitors the number of public company boards on which each director serves and develops limitations on such service as appropriate to ensure the ability of each director to fully fulfill his or her duties and as may be otherwise required or limited by applicable securities laws or NASDAQ listing standards.

### ***Board and Committee Self-Evaluation***

Beginning with fiscal year 2008, our Board will conduct an annual self-evaluation to determine whether it and its committees are functioning effectively. The Nominating & Governance Committee will accept comments from all directors and report annually to our Board with an assessment of our Board's performance. This will be discussed with the full Board following the end of each fiscal year. The assessment is expected to focus on our Board's contribution to us and specifically focus on areas in which our Board or management believes that our Board could improve.

### ***Director Selection and Nomination Process***

The Nominating & Governance Committee is responsible for establishing criteria for selecting new directors and actively seeking individuals to become directors for recommendation to our Board. In considering candidates for our Board, the Nominating & Governance Committee considers the entirety of each candidate's credentials. There is currently no set of specific minimum qualifications that must be met by a nominee recommended by the Nominating & Governance Committee, as different factors may assume greater

## **Table of Contents**

or lesser significance at particular times and the needs of our Board may vary in light of its composition and the Nominating & Governance Committee's perceptions about future issues and needs. However, while the Nominating & Governance Committee does not maintain a formal list of qualifications in making its evaluation and recommendation of candidates, it may consider, among other factors, diversity, age, skill, experience in the context of our Board's needs, independence qualifications and whether prospective nominees have relevant business and financial experience, industry and/or other specialized expertise and good moral character.

The Nominating & Governance Committee may consider candidates for our Board from any reasonable source, including from a search firm engaged by the Nominating & Governance Committee or stockholder recommendations, provided that the procedures set forth below are followed. The Nominating & Governance Committee does not intend to alter the manner in which it evaluates candidates based on whether the candidate is recommended by a stockholder or not. However, in evaluating a candidate's relevant business experience, the Nominating & Governance Committee may consider previous experience as a member of our Board. Any invitation to join our Board must be extended by our Board as a whole. The Nominating & Governance Committee did not receive stockholder nominations for this Annual Meeting, nor has it engaged a search firm to find director candidates during 2008 to date.

Stockholders or a group of stockholders may recommend potential candidates for consideration by the Nominating & Governance Committee by sending a written request to our Secretary, Michael E. Keller, at 3110 Hayes Road, Suite 300, Houston, Texas 77082 not later than 120 calendar days prior to the first anniversary of the date of the previous year's annual meeting. The written request must include the following:

the name and address of the person or persons to be nominated;

the number and class of all shares of each class of our stock owned of record and beneficially by each nominee, as reported to the nominating stockholder by the nominee;

the information regarding each such nominee required by paragraphs (a), (d), (e) and (f) of Item 401 of Regulation S-K adopted by the SEC;

a signed consent by each nominee to serve as our director, if elected;

the nominating stockholder's name and address;

the number and class of all shares of each class of our stock owned of record and beneficially by the nominating stockholder; and

in the case of a person that holds our stock through a nominee or street name holder of record, evidence establishing such indirect ownership of stock and entitlement to vote such stock for the election of directors at the annual meeting.

From time to time, the Nominating & Governance Committee may request additional information from the nominee or the stockholder.

The stockholder recommendation procedures described above do not preclude a stockholder of record from making proposals at any annual stockholder meeting, provided that they comply with the requirements described in the section entitled "Proposals for the 2009 Annual Meeting of Stockholders."

## **Communications from Stockholders and Interested Parties**

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Our Board welcomes communications from our stockholders and other interested parties. Stockholders and any other interested parties may send communications to our Board, any committee of our Board, the Chairman of our Board or any director in particular to: c/o Cardtronics, Inc., 3110 Hayes Road, Suite 300, Houston, Texas 77082, Attention: Secretary.

Our Secretary (or any successor to the duties thereof) will review each such communication received from stockholders and other interested parties and will forward the communication, as expeditiously as reasonably practicable, to the addressees if: (1) the communication complies with the requirements of any



**Table of Contents**

applicable policy adopted by us relating to the subject matter of the communication; and (2) the communication falls within the scope of matters generally considered by our Board. To the extent the subject matter of a communication relates to matters that have been delegated by our Board to a committee or to an executive officer, our Secretary may forward such communication to the executive or chairman of the committee to which such matter has been delegated. The acceptance and forwarding of communications to the members of our Board or an executive does not imply or create any fiduciary duty of our Board members or executive to the person submitting the communications.

**Committees of Our Board*****General***

Our Board currently has three standing committees: an Audit Committee, a Compensation Committee and a Nominating & Governance Committee. Each committee (with the exception of the Compensation Committee) is comprised of independent directors as currently required under the SEC's rules and regulations and the NASDAQ listing standards and each committee is governed by a written charter approved by the full Board. These charters form an integral part of our corporate governance policies, and a copy of each charter is available on our website at [www.cardtronics.com](http://www.cardtronics.com).

The table below provides the composition of each committee of our Board:

Name	Audit Committee	Compensation Committee	Nominating & Governance Committee
Fred R. Lummis		X	X
Jack Antonini			
Tim Arnoult	X		X
Robert P. Barone	X		
Jorge M. Diaz		X	
Dennis F. Lynch	X		X
Michael A.R. Wilson		X	

***Audit Committee***

The Audit Committee is appointed by our Board to:

assist the Board in fulfilling its oversight responsibilities with respect to the conduct by our management of our financial reporting process, including the development and maintenance of a system of internal accounting and financial reporting controls;

assist the Board in overseeing the integrity of our financial statements, qualifications and independence of our independent registered public accounting firms, their performance and the performance of the our internal audit function;

prepare for inclusion in this proxy statement the audit committee report required by the SEC;

recommend to our Board whether such audited financial statements should be included in our Annual Report on Form 10-K to be filed with the SEC; and

perform such other functions as the Board may assign to the Audit Committee from time to time.

The Board, in its business judgment, has determined that the Audit Committee is comprised entirely of directors who satisfy the standards of independence established under the SEC's rules and regulations, NASDAQ listing standards and our Corporate Governance Principles. In addition, the Board, in its business judgment, has determined that each member of the committee satisfies the financial literacy requirements of the NASDAQ listing standards and Mr. Barone qualifies as an audit committee financial expert within the meaning of the SEC's rules and regulations.

**Table of Contents**

Pursuant to its charter, the Audit Committee has the authority, at our expense, to retain professional advisors, including legal, accounting or other consultants, to advise the Audit Committee in connection with the exercise of its powers and responsibilities. The Audit Committee may require any of our officers or employees, our outside legal counsel or our independent registered public accounting firm to attend a meeting of the Audit Committee or to meet with any members of, or consultants to, the Audit Committee. The Audit Committee is responsible for the resolution of any disagreements between the independent registered public accounting firms and management regarding our financial reporting. The Audit Committee meets at least quarterly with management and the independent registered public accounting firm in separate executive sessions to discuss any matter that the Audit Committee or each of these groups believe should be discussed privately. The Audit Committee makes regular reports to our Board.

The Report of the Audit Committee is set forth under **Audit Matters** in this proxy statement.

The Audit Committee held six meetings and did not act by written consent during the fiscal year ended December 31, 2007.

***Compensation Committee***

The Compensation Committee establishes salary and incentive compensation of our executive officers and administers our employee benefit plans. Pursuant to the NASDAQ Marketplace Rules, a company listing its stock for trading on the NASDAQ in connection with its initial public offering has 12 months from the date of listing to comply with the requirement that its Compensation Committee be comprised entirely of independent directors. The Board, in its business judgment, has determined that two of the three directors on the Compensation Committee (Messrs. Lummis and Wilson) currently satisfy the standards of independence established under the SEC's rules and regulations, NASDAQ listing standards and our Corporate Governance Guidelines. Our Board has determined that Mr. Diaz is not independent due to his relationship with Fiserv but that his continued service as a member of the Compensation Committee is in the best interests of our company and stockholders pursuant to the transition rules contained in the NASDAQ listing standards. The Report of the Compensation Committee is set forth under **Compensation Committee Report** in this proxy statement.

The Compensation Committee is delegated all authority of our Board as may be required or advisable to fulfill the purposes of the Compensation Committee as set forth in its charter. The Compensation Committee may form and delegate some or all of its authority to subcommittees when it deems appropriate.

Pursuant to its charter, the purposes of the Compensation Committee are to:

- oversee the responsibilities of the Board relating to compensation of our directors and executive officers;
- design, recommend and evaluate our director and executive officer compensation plans, policies and programs;
- produce the Compensation Committee Report for inclusion in the proxy statement, in accordance with applicable rules and regulations;