CARDTRONICS INC
Form DEF 14A
April 29, 2011

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 þ
Filed by a Party other than the Registrant o
Check the appropriate box:

o Preliminary Proxy Statement

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

þ Definitive Proxy Statement

o Definitive Additional Materials

o Soliciting Material under Rule 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):

þ No fee required.

o 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:

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(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):

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o 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:

Table of Contents

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS AND PROXY STATEMENT

April 29, 2011

Dear Stockholder:

Notice is hereby given that the 2011 Annual Meeting of Stockholders of Cardtronics, Inc., a Delaware corporation (the Company), will be held on Wednesday, June 15, 2011, at 4:00 p.m., central time, at 3250 Briarpark Drive, Suite 400, Houston, Texas 77042. At the Annual Meeting, stockholders will be asked to:

1. Elect three Class I directors to the Board of Directors to serve until the 2014 Annual Meeting of Stockholders;

2. Adopt a resolution in which they approve, on an advisory basis, the compensation of the Company s Named Executive Officers as disclosed in this Proxy Statement;

3. Cast an advisory vote on the frequency of future advisory votes on executive compensation, i.e. should such votes occur every one, two, or three years;

4. 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, 2011; and

5. 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 20, 2011 are entitled to notice of and to vote at the Annual Meeting. A list of stockholders will be available commencing May 27, 2011 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,

/s/ Michael E. Keller
Michael E. Keller
General Counsel and Secretary

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE 2011 ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON JUNE 15, 2011.
The Company s Proxy Statement for the 2011 Annual Meeting of Stockholders and Annual Report to Stockholders for the fiscal year ended December 31, 2010 are available at http://ir.cardtronics.com. Additionally, the Company s Annual Report on Form 10-K, including audited financial statements, but excluding exhibits, accompanies this Proxy Statement.

PROXY STATEMENT
TABLE OF CONTENTS

Table of Contents

CARDTRONICS, INC.

3250 Briarpark Drive, Suite 400
Houston, Texas 77042

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 2011 Annual Meeting of Stockholders and any adjournments or postponements of the meeting (the Annual Meeting). The Annual Meeting will be held on Wednesday, June 15, 2011, at 4:00 p.m., central time, at our Houston offices located at 3250 Briarpark Drive, Suite 400, Houston, Texas 77042. Directions to our offices are set forth on the last page of this Proxy Statement.

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, 2010 are being mailed to stockholders beginning on or about May 12, 2011.

ABOUT THE ANNUAL MEETING

What is the purpose of the 2011 Annual Meeting of Stockholders?

At the Annual Meeting, our stockholders will be asked to (1) elect three directors to serve until the 2014 Annual Meeting of Stockholders and until their successors are duly elected, (2) adopt a resolution in which they approve, on an advisory basis, the compensation of the Company s Named Executive Officers as disclosed in this Proxy Statement, (3) cast an advisory vote on the frequency of future advisory votes on executive compensation, i.e. should such votes occur every one, two, or three years, (4) ratify the Audit Committee s selection of KPMG LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2011, and (5) transact such other business as may properly come before the Annual Meeting and any adjournments or postponements of the Annual Meeting. Each of the above matters that will be submitted to the stockholders for their approval (each a Proposal) is described in more detail on pages 5 to 9 herein.

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 20, 2011. 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.

Table of Contents

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. Our 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 or by e-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? below for additional information.

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 43,068,122 shares of our common stock outstanding. Consequently, the presence of the holders of at least 21,534,062 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.

Table of Contents

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 identification.

What are the recommendations of the Board?

Our Board recommends that you vote:

FOR the election of the three nominated Class I directors;

FOR a resolution in which the stockholders approve, on an advisory basis, the compensation of the Company s Named Executive Officers as disclosed in this Proxy Statement;

FOR a frequency of one year with respect to holding future advisory votes on executive compensation; 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, 2011.

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 a notice of revocation to our General Counsel and Secretary, Michael E. Keller, by mail to Cardtronics, Inc., 3250 Briarpark Drive, Suite 400, Houston, Texas 77042 or by facsimile at (832) 308-4761, (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.

Table of Contents

Election of Directors. A plurality of the votes cast is required for the election of directors. This means that the three 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. Broker non-votes are not treated as entitled to vote and therefore will have no impact on the proposal.

Advisory Vote on Executive Compensation. 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 is required to approve this proposal. You may vote FOR, AGAINST or ABSTAIN on this proposal. 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 each proposal. Broker non-votes are not treated as entitled to vote and therefore will have no impact on the proposal.

Advisory Vote on Frequency of Future Executive Compensation Votes. 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 is required to approve this proposal. You may vote for ONE YEAR, TWO YEARS, THREE YEARS or ABSTAIN. If you ABSTAIN, you 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 each proposal. Broker non-votes are not treated as entitled to vote and therefore will have no impact on the proposal.

Ratification of the Appointment of the Independent Registered Public Accounting Firm. 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 is required to approve this proposal. 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.

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.

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 $5,500 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 Our Board Director Selection and Nomination Process and Proposals for the 2012 Annual Meeting of Stockholders for more details.

Table of Contents

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 have 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 General Counsel and Secretary, Michael E. Keller, at 3250 Briarpark Drive, Suite 400, Houston, Texas 77042 or by telephone at (832) 308-4000.

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, 2010 filed with the SEC on March 3, 2011. Our Annual Report on Form 10-K, including audited 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.

IF YOU WOULD LIKE TO RECEIVE ADDITIONAL INFORMATION ABOUT CARDTRONICS, INC., PLEASE CONTACT OUR GENERAL COUNSEL AND SECRETARY, MICHAEL E. KELLER, AT 3250 BRIARPARK DRIVE, SUITE 400, HOUSTON, TEXAS 77042.

On the following three pages, we have set forth the four (4) proposals that are being submitted to the stockholders for their approval. Following each proposal is a summary of the proposal as well as the Board s recommendation in support thereof.

PROPOSAL NO. 1:
ELECTION OF CLASS I DIRECTORS

Our Director Nominees

Our Board currently has eight director positions that are 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 Class I directors expires at the 2011 Annual Meeting; the term of our Class II directors expires at the 2012 Annual Meeting of Stockholders; and the term of our Class III directors expires at the 2013 Annual Meeting of Stockholders; with each director to hold office until his successor is duly elected and qualified or until his death, retirement, resignation or removal. Our Class I directors are Robert P. Barone, Jorge M. Diaz, and G. Patrick Phillips; our Class II directors are J. Tim Arnoult and Dennis F. Lynch; and our Class III directors are Steven A. Rathgaber, Mark Rossi, and Michael A.R. Wilson.

Effective March 1, 2011, acting upon the recommendation of its Nominating & Governance Committee, the Board nominated Robert P. Barone, Jorge M. Diaz, and G. Patrick Phillips for re-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 2014 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, Jorge M. Diaz, and G. Patrick Phillips 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 votes cast at the Annual Meeting is required to elect each nominee as a director. Stockholders may not cumulate their votes in the election of our directors.

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

Name	Age	Position
Robert P. Barone	73	Class I Director
Jorge M. Diaz	46	Class I Director
G. Patrick Phillips	61	Class I Director

Robert P. Barone has served as a director of our Company since September 2001. Mr. Barone has held positions at Diebold, Inc., NCR Corporation, and Xerox Corporation, as well as the Electronic Funds Transfer Association (EFTA). Since December 1999, Mr. Barone has served as a consultant for SmartNet Associates, Inc., a private consulting firm. 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, Mr. Barone served as Board Vice-Chairman, President and Chief Operating Officer of Diebold, Inc. Mr. Barone 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 EFTA, Mr. Barone is now Chairman Emeritus of that organization. Currently, Mr. Barone is the owner of The Smart Dynamics Group Consulting Firm and a 50% partner in Southeast Locates LLC, an underground utilities damage prevention company.

Mr. Barone s more than 40 years of sales, marketing, and executive leadership experience provide him with the experience and skills that we believe qualify him to serve on our Board, as Chairman of our Audit Committee, and on our Nominating & Governance Committee. Additionally, as founder and Chairman Emeritus of the EFTA, Mr. Barone s knowledge of the electronic funds transfer industry and his relationships with companies within that industry are assets to our Board.

Jorge M. Diaz has served as a director of our Company since December 2004. Mr. Diaz is the Division President and Chief Executive Officer of Fiserv Output Solutions, a division of Fiserv, Inc., and has held that position 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. Mr. Diaz serves as a director for the local chapter of the Boys and Girls Club, a national non-profit organization.

Mr. Diaz extensive experience in the electronic funds transfer processing industry, as well as his long-standing association with our Company, makes him uniquely qualified to serve on our Board, our Compensation Committee, and our Nominating & Governance Committee.

Table of Contents

G. Patrick Phillips has served as a director of our Company since February 2010. Mr. Phillips retired from Bank of America in 2008, after a 35-year career with Bank of America, most recently serving as President of Bank of America s Premier Banking and Investments group from August 2005 to March 2008. During his tenure at Bank of America, Mr. Phillips led a variety of consumer, commercial, wealth management and technology businesses. Mr. Phillips also serves on the board of directors of USAA Federal Savings Bank where he serves as Chairman of the Finance and Audit Committee. Mr. Phillips previously served as a director of Visa USA and Visa International from 1990 to 2005 and 1995 to 2005, respectively. Mr. Phillips received a Masters of Business Administration from the Darden School (of business) at the University of Virginia in 1973 and graduated from Presbyterian College in Clinton, South Carolina in 1971.

Mr. Phillips extensive experience in the banking industry as well as the electronic payments industry makes him uniquely qualified to serve on our Board, our Compensation Committee, and our Audit Committee.

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

PROPOSAL NO. 2:
ADVISORY VOTE ON EXECUTIVE COMPENSATION

We are asking stockholders to approve, on the advisory basis, the compensation of our Named Executive Officers as disclosed in this Proxy Statement in accordance with the compensation disclosure rules of the SEC. As described below in the Compensation Discussion and Analysis section of this Proxy Statement, the Compensation Committee has structured our executive compensation program to achieve the following key objectives:

Objective	How Our Executive Compensation Program Achieves This Objective
The primary objectives of our executive compensation program are to attract, retain, and motivate qualified individuals who are capable of leading our Company to meet its business objectives and to increase overall stockholder value.	We believe our executive compensation program aligns the interests of management with those of our investors and creates incentives for and rewards performances of the individuals based on our overall success and the achievement of individual performance objectives. Specifically, our compensation program provides management with the incentive to achieve or maximize certain Company-level performance measures. Each year, based upon the expected circumstances and conditions confronting the Company for that year, the Compensation Committee selects performance metrics that it believes will produce the best return for our stockholders given the then-current conditions. For 2010, the Compensation Committee selected (1) Adjusted EBITDA (as defined below in the Compensation Discussion and Analysis), (2) return on invested capital (ROIC), as defined in our non-equity incentive compensation plan, which is described in more detail below, and (3) total revenues, as reported in our audited financial statements.

Table of Contents

We urge stockholders to read the Compensation Discussion and Analysis beginning on page 23 of this Proxy Statement, which describes in more detail how our executive compensation policies and procedures operate and are designed to achieve our compensation objectives, as well as the Summary Compensation Table and other related compensation tables and narrative, appearing on page 36, which provide detailed information of the compensation of our Named Executive Officers. The Compensation Committee and the Board believe that the policies and procedures articulated in the Compensation Discussion and Analysis are effective in achieving our goals and that the compensation of our Named Executive Officers reported in this Proxy Statement has contributed to Cardtronics long-term success.

In accordance with recently adopted Section 14A of the Securities Exchange Act of 1934, as amended (the Exchange Act), and as a matter of good corporate governance, we are asking stockholders to adopt the following resolution at the 2011 Annual Meeting of Stockholders:

RESOLVED, that the stockholders of Cardtronics approve, on an advisory basis, the compensation of Cardtronics Named Executive Officers as disclosed in Cardtronics Proxy Statement for the 2011 Annual Meeting of Stockholders pursuant to the compensation disclosure rules of the Securities and Exchange Commission, including the Compensation Discussion and Analysis, the 2010 Summary Compensation Table and the related compensation tables and disclosure.

This advisory vote, commonly referred to as a say-on-pay vote, is not binding on our Board or its Compensation Committee, will not overrule any decisions made by our Board or its Compensation Committee, or require our Board or its Compensation Committee to take any action. Although the vote is non-binding, the Compensation Committee will take into account the outcome of the vote when considering future executive compensation decisions. In particular, to the extent there is any significant vote against our Named Executive Officers compensation as disclosed in this Proxy Statement, we will consider our stockholders concerns and the Compensation Committee will evaluate whether any actions are necessary to address those concerns.

OUR BOARD RECOMMENDS THAT STOCKHOLDERS VOTE FOR THE ADOPTION OF THE ADVISORY RESOLUTION APPROVING THE COMPENSATION OF THE COMPANY S NAMED EXECUTIVE OFFICERS.

PROPOSAL NO. 3:
ADVISORY VOTE ON THE FREQUENCY OF FUTURE ADVISORY VOTES ON EXECUTIVE COMPENSATION

As required by Section 14A of the Exchange Act, we are asking stockholders to cast an advisory vote on whether future advisory votes on executive compensation of the nature reflected in Proposal No. 2 above should occur every one, two or three years.

After careful consideration of the various arguments supporting each frequency level, the Board believes that submitting the advisory vote on executive compensation to stockholders on an annual basis is appropriate for Cardtronics at this time, and therefore, our Board recommends that you vote for holding future advisory votes on executive compensation every year. As the proxy card provides stockholders with four choices (every one, two or three years or abstain), you are not voting to approve or disapprove the Board s recommendation.

In formulating its recommendation, our Board considered that an annual advisory vote on executive compensation will allow our stockholders to provide us with their direct input on our compensation philosophy, policies and practices as disclosed in the Proxy Statement every year. However, because the advisory vote on executive compensation occurs well after the beginning of the compensation year and the different elements of our executive compensation programs are designed to operate in an integrated manner and to complement one another, in many cases it may not be appropriate or feasible to change our executive compensation programs in response to any one year s advisory vote on executive compensation by the time of the following year s Annual Meeting of Stockholders.

Table of Contents

The frequency vote is non-binding and the final decision regarding the frequency of future advisory votes on executive compensation remains with the Board. However, the Board will carefully consider the outcome of the frequency vote and other communications from stockholders when making future decisions regarding the frequency of advisory votes on executive compensation. Notwithstanding the Board s recommendations and the outcome of the stockholder vote, the Board may in the future decide to hold the advisory vote on executive compensation more or less frequently than the frequency receiving the most votes cast by our stockholder.

OUR BOARD RECOMMENDS THAT STOCKHOLDERS VOTE FOR THE OPTION OF ONCE EVERY YEAR AS THE PREFERRED FREQUENCY FOR ADVISORY VOTES ON EXECUTIVE COMPENSATION.

PROPOSAL NO. 4: RATIFICATION OF THE SELECTION OF THE INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Audit Committee has selected KPMG LLP as our independent registered public accounting firm to conduct our audit for the fiscal year ending December 31, 2011.

We engaged KPMG LLP to serve as our independent registered public accounting firm and to audit our consolidated financial statements beginning with the fiscal year ended December 31, 2001. The engagement of KPMG LLP has been recommended by the Audit Committee and approved by our Board annually. The Audit Committee has reviewed and discussed the audited consolidated financial statements included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2010, and has recommended, and our Board has approved, their inclusion therein. See Audit Matters Report of the Audit Committee included elsewhere in this Proxy Statement.

Although stockholder ratification of the selection of KPMG LLP is not required, the Audit Committee and our Board consider it desirable for our stockholders to vote upon this selection. The affirmative vote of the holders of a majority of the shares entitled to vote at the Annual Meeting is required to approve this proposal to ratify the Company s selection of KPMG LLP. However, if the selection is not ratified, the Audit Committee will consider whether it is appropriate to select another independent registered public accounting firm. Even if the selection is ratified, the Audit Committee may, in its discretion, direct the appointment of a different independent registered public accounting firm at any time during the year if it believes that such a change would be in the best interests of us and our stockholders.

A representative of KPMG LLP is expected to be present at the Annual Meeting and will have an opportunity to make a statement if the representative desires to do so and will be available to respond to appropriate questions from stockholders at the Annual Meeting.

OUR BOARD RECOMMENDS THAT STOCKHOLDERS VOTE FOR THE RATIFICATION OF THE SELECTION OF KPMG LLP AS OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR THE FISCAL YEAR ENDING DECEMBER 31, 2011.

CORPORATE GOVERNANCE

The remainder of this Proxy Statement sets forth important information regarding the Company s corporate governance; stock ownership by our directors, executive officers and other persons owning more than 5% of our stock; executive officers; compensation practices for executive officers and directors; related person transactions; audit matters; procedures for submitting proposals for the 2012 Annual Meeting of Stockholders; and directions to our offices.

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:

Name	Age	Position
J. Tim Arnoult	61	Class II Director
Dennis F. Lynch	62	Class II Director
Steven A. Rathgaber	57	Class III Director
Mark Rossi	54	Class III Director
Michael A.R. Wilson	43	Class III Director

J. Tim Arnoult has served as a director of our Company since January 2008. Mr. Arnoult provides over 30 years of banking, payments and information technology experience to our Board. From 1979 to 2006, Mr. Arnoult served in various positions at Bank of America, N.A., including President of Global Treasury Services in 2005 and 2006, President of Global Technology and Operations from 2000 to 2005, President of Central U.S. Consumer and Commercial Banking from 1996 to 2000, and President of Private Banking from 1992 to 1996. Mr. Arnoult is also experienced in the integration of complex mergers including NationsBank and Bank of America in 1998 and Bank of America and Fleet Boston in 2004. Mr. Arnoult has been retired since 2006. Mr. Arnoult holds a Bachelor of Arts and Masters of Business Administration degrees from the University of Texas at Austin.

Mr. Arnoult has experience serving as a director for public and private corporate as well as significant non-profit and industry association boards, including the board of VISA USA. We believe Mr. Arnoult s broad financial services background, including international responsibilities, and past directorship experience make him well-qualified to serve on our Board, as Chairman of our Nominating & Governance Committee, and on our Audit Committee.

Dennis F. Lynch has served as a director of our Company since January 2008 and Chairman of the Board since November 2010. Mr. Lynch has over 25 years of experience in the payments industry and has led the introduction and growth of various card products and payment solutions. Mr. Lynch is currently a director and chairperson of the Secure Remote Payments Council, a cross-industry group dedicated to accelerating more secure methods of conducting consumer payments in the internet/mobile marketplace. From 2005 to 2008, Mr. Lynch served 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 with NYCE Payments Network, LLC, an electronic payments network that is now a wholly-owned subsidiary of Fidelity National Information Services, Inc., including serving as that company s President and Chief Executive Officer from 1996 to 2004, and as a director from 1992 to 2004. Prior to joining NYCE, Mr. Lynch served in a variety of information technology and products roles, ultimately managing Fleet Boston s consumer payments portfolio. Mr. Lynch has served on a number of boards, including the board of Open Solutions, Inc., a publicly-traded company delivering core banking products to the financial services market, from 2005 to 2007. Mr. Lynch was also 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 EFTA. Mr. Lynch received his Bachelors and Masters degrees from the University of Rhode Island.

Mr. Lynch s extensive experience in the payment industry and his leading role in the introduction and growth of various card products and payment solutions make him a valuable asset to our Board. We leverage Mr. Lynch s knowledge of card products and payment solutions in developing our strategies for capitalizing on the proliferation of prepaid debit cards. Additionally, Mr. Lynch s service on a number of corporate boards and his experience as the Chief

Executive Officer of the NYCE Payments Network, LLC, provide him with the background and leadership skills necessary to serve as Chairman of our Board, Chairman of our Compensation Committee, and on our Audit Committee.

Table of Contents

Steven A. Rathgaber has been our Chief Executive Officer and has served as a director of our Company since February 1, 2010. From January 1991 to January 2010, Mr. Rathgaber was employed by NYCE Payments Network, LLC, a wholly-owned subsidiary of Fidelity National Information Services, Inc. Mr. Rathgaber most recently served as the President and Chief Operating Officer of NYCE, a role he assumed in September 2004. From April 1989 to January 1991, Mr. Rathgaber served as a founding partner of Veritas Venture, a start-up software development company. From May 1981 to March 1989, Mr. Rathgaber served in a number of executive-level roles within Automatic Data Processing, Inc., and from January 1977 to April 1981, Mr. Rathgaber held numerous positions within Citibank. Mr. Rathgaber also served on the board of Everlink Payment Services, a joint venture between the United States-based NYCE Payments Network and Celero, a Canadian credit union processing company, from the company s inception in September 2003 until December 2009. He also served as Chairman of the Everlink board from June 2004 until May 2006. Mr. Rathgaber holds a Bachelor of Science degree in Accounting from St. John s University.

Mr. Rathgaber was selected to serve on our Board due to his depth of knowledge of the financial services and payments industry, his acute business judgment, and his extensive leadership skills.

Mark Rossi has served as a director of our Company since November 2010. Mr. Rossi is a Founder and Senior Managing Director of Cornerstone Equity Investors, L.L.C., a Connecticut based Private Equity Firm. The investment principals of Cornerstone have funded approximately 100 companies in a variety of industries but with particular emphasis on technology and telecommunications, health care services and products, and business services. Cornerstone and its predecessor firm have provided financing to a large number of successful companies including Dell Computer, Health Management Associates, Linear Technology, Micron Technology, Novatel Wireless, Inc., and Equitrac, Inc. Prior to the formation of Cornerstone Equity Investors in 1996, Mr. Rossi was President of Prudential Equity Investors, Inc., the private equity arm of Prudential Insurance Company of America. Mr. Rossi s industry focus is on business services and technology companies. Mr. Rossi is involved in a number of community and philanthropic activities. He is a founding member of Project Y.E.S.S. (Young Executives Supporting Schools), and is a member of the Board of Trustees at the Ursuline School in New Rochelle, New York and Saint Vincent College in Latrobe, Pennsylvania and is a member of the Executive Committee of the Inner City Scholarship Fund of the Archdiocese of New York. After graduating with highest honors from Saint Vincent College in 1978 with a Bachelor of Arts Degree in Economics, Mr. Rossi earned a Master of Business Administration Degree from the Kellogg School of Management at Northwestern University where he was an F.C. Austin Scholar.

Mr. Rossi has extensive financial services experience, and is a member of the Board of Directors of several companies, both public and private, and serves as Chairman of the Board of Directors of Equitrac, Inc., which makes him well-qualified to serve on our Board and our Compensation Committee.

Michael A.R. Wilson has served as a director of our Company since February 2005. Mr. Wilson is a Managing Director at TA Associates, Inc. (TA Associates), a private equity firm, which was previously a major stockholder of our common stock. At TA Associates, Mr. Wilson focuses on growth investments and leveraged buyouts of financial services, business services, and consumer products companies. Mr. Wilson currently serves on the boards of Jupiter Fund Management PLC and Numeric Investors LLC. Prior to joining TA Associates in 1992, Mr. Wilson was a Financial Analyst in Morgan Stanley s Telecommunications Group. In 1994, Mr. Wilson 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 Bachelors of Arts 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.

Mr. Wilson s strong leadership and business experience, including his position as a Managing Director of a private equity firm and his financial services industry expertise, qualify him to serve on our Board, our Compensation Committee, and our Nominating & Governance Committee. Mr. Wilson s background in growth investments and leveraged buyouts make him a valuable contributor to discussions regarding possible acquisitions.

Table of Contents

Our Governance Practices

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 *http://www.cardtronics.com* and you may also request a copy of each document at no cost by writing (or telephoning) the following: Cardtronics, Inc., Attention: General Counsel and Secretary, 3250 Briarpark Drive, Suite 400, Houston, Texas 77042, (832) 308-4000.

Code of Ethics

Our Board has adopted a Code of Business Conduct and Ethics (Code of 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 officer, principal accounting officer and other accounting and finance executives. We intend to disclose any amendments to or waivers of the codes on behalf of our Chief Executive Officer, Chief Financial Officer, Chief Accounting Officer, Controller, and persons performing similar functions, on our website at *http://www.cardtronics.com* promptly following the date of the amendment or waiver. Since becoming a publicly traded company on December 10, 2007, the Company has never granted to any officer or employee a waiver to its Code of Ethics.

Our Board

Board Size

Our Board of Directors currently has eight director positions that are 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 Class I directors expires in 2011; the term of our Class II directors expires in 2012; and the term of our Class III directors expires in 2013. Each director holds his office until a successor is duly elected and qualified or until his death, retirement, resignation or removal. Our Class I directors are Robert P. Barone, Jorge M. Diaz and G. Patrick Phillips; our Class II directors are J. Tim Arnoult and Dennis F. Lynch; and our Class III directors are Steven A Rathgaber, Mark Rossi, and Michael A.R. Wilson.

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, 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 family members, and our Company, senior management and independent registered accounting firm. Based on this evaluation, the Nominating & Governance Committee has determined that Messrs. Arnoult, Barone, Diaz, Lynch, Rossi, Phillips and Wilson are each an independent director, under the applicable standards set forth by the NASDAQ and SEC. Messrs. Arnoult, Barone, Diaz, Lynch, Rossi, Phillips and Wilson constitute a majority of the members of our Board.

In making these independence determinations, our Nominating & Governance Committee, in conjunction with our Board, considered the following relationships and transactions and found that they did not impact the independence of the applicable directors:

Table of Contents

Mr. Wilson. Mr. Wilson is the Managing Director at TA Associates, Inc., a private equity firm. TA Associates, Inc. is the ultimate parent of TA IX, L.P., TA/Atlantic Pacific V, L.P., TA/Atlantic Pacific IV, L.P., TA Strategic Partners Fund A L.P., TA Investors II, L.P. and TA Strategic Partners Fund B L.P. (collectively, the TA Funds). From February 2005 through March 2011, the TA Funds collectively owned as much as 42% of our common stock. At the beginning of 2010, the TA Funds owned 30% of our common stock. However, through two secondary offerings (one in March 2010 and the other in August 2010), the TA Funds reduced their ownership percentage down to 19% in March and down to 7% in August. Finally, as of April 20, 2011, the TA Funds collectively owned none of our common stock.

Mr. Diaz. Mr. Diaz is an executive officer with Fiserv Output Solutions, a division of Fiserv, Inc. Fiserv serves as one or our vendors with respect to the processing of our ATM transactions. In 2008 and 2009, we paid Fiserv annual processing and other fees of $18.8 million and $23.6 million, respectively, which, in each case, represented less than 5% of our revenue. In January 2010, the Company began transferring ATM transaction processing and other services from Fiserv to the Company s internal processing platform and other service providers. As a consequence, the amount of fees paid to Fiserv dropped to $8.6 million in 2010. In 2011, we estimate that we will pay approximately $2.4 million in fees to Fiserv.

The purpose of this review was to determine whether any such relationships were material and, therefore, inconsistent with a determination that the director is independent. As a result of this review, the Nominating & Governance Committee affirmatively determined, based on its understanding of such relationships, that, except as discussed above, none of our directors has any material relationship with us or our subsidiaries.

Board Leadership Structure

The Board has determined that having a non-executive director serve as Chairman of the Board is in the best interest of our stockholders at this time. Our Chief Executive Officer is responsible for setting our strategic direction and providing us day-to-day leadership, while the Chairman of the Board provides guidance to our Chief Executive Officer and sets the agenda for Board meetings and presides over meetings of the full Board. We believe this structure ensures a greater role for the non-executive directors in the oversight of our Company and active participation of the non-executive directors in setting agendas and establishing priorities and procedures for the work of the Board.

In 2010, Fred Lummis served as Chairman of the Board until his resignation on November 10, 2010, at which time, our Board elected Dennis Lynch as Chairman.

Meetings

Meetings. Our Board held a total of seven meetings (four quarterly and three special meetings) and also acted through either electronic secured voting or unanimous written consent fifteen times during the year ended December 31, 2010. During this period, all directors attended each of the regularly scheduled quarterly meetings, with the exception of two directors missing one regular meeting each. With regard to the three special meetings, all directors attended each of the meetings. In 2010, the committees of the Board held a total of 24 meetings: nine Audit Committee meetings, eight Compensation Committee meetings and seven Nominating & Governance Committee meetings. With regard to the Audit Committee meetings, all committee members were present at the meetings, with the exception of Mr. Arnoult, who missed three meetings due to scheduling conflicts. With regard to the Compensation Committee meetings, all committee members were present at these meetings. With respect to the Nominating & Governance Committee meetings, all committee members were present at the meetings, with the exception of three directors missing one meeting each.

Executive Sessions; Presiding Director. According to our Corporate Governance Principles, our independent directors must meet in executive session at each quarterly meeting and did so during the fiscal year ended December 31, 2010. The Chairman of the Board presides at these meetings and is responsible for preparing an agenda for these executive sessions.

Annual Meeting Attendance. One of our directors attended our 2010 annual meeting held on June 15, 2010. We do not have a formal policy regarding director attendance at annual meetings. However, our directors are expected to attend all Board and committee meetings, as applicable, and to meet as frequently as necessary to properly discharge their responsibilities.

Limitation on Public Company Board Service

Members of our Audit Committee are prohibited from serving on the audit committees of more than two other public companies. In addition, 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 fulfill his duties, as required by applicable securities laws and NASDAQ listing standards.

Board and Committee Self-Evaluation

Our Board and each committee of our Board conduct an annual self-evaluation to determine whether they are functioning effectively. The Nominating & Governance Committee leads the Board self-evaluation effort by conducting an annual evaluation of the Board s performance. Similarly, each committee reviews the results of its evaluation to determine whether any changes need to be made to the committee or its procedures.

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 2010, the Nominating & Governance Committee developed a set of criteria that a director candidate should possess, and used that set of criteria in the search efforts that culminated in the election of Mark Rossi to the Board in December 2010. Furthermore, the Nominating & Governance Committee continually reevaluates its set of criteria to ensure that future Board candidates complement those currently serving on the Board. In addition to having a proven track record of high business ethics and integrity, the present criteria for director qualifications include: (1) prior corporate board experience; (2) possessing the qualifications of an independent director in accordance with applicable NASDAQ listing rules; (3) demonstrated success as a past or current chief executive officer or other senior business executive within a rapidly growing business; (4) experience and appreciation for corporate risk management from an investor or stockholder perspective; and (5) demonstrated skills, background and competencies that complement and add diversity to the Board. The Nominating and Governance Committee does not require that a successful candidate possess each and every criteria.

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 above 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.

Following a nation-wide search utilizing a nationally-recognized executive search firm (Spencer Stuart), the Nominating & Governance Committee nominated Steven A. Rathgaber to be the Chief Executive Officer and a director of the Company effective February 2010, and nominated Mark Rossi to be a director of the Company effective November 2010 and further recommended that he serve on the Compensation Committee. Following that nomination, on November 10, 2010, the Board unanimously elected Mr. Rossi as a Class III Director (standing for re-election in 2013) and appointed him to the Compensation Committee.

The Nominating & Governance Committee did not receive stockholder nominations for this Annual Meeting, but it has engaged a search firm to find potential director candidates during 2011.

Table of Contents

Stockholders or a group of stockholders may recommend potential candidates for consideration by the Nominating & Governance Committee by sending a written request to our General Counsel and Secretary, Michael E. Keller, at 3250 Briarpark Drive, Suite 400, Houston, Texas 77042, generally 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 2012 Annual Meeting of Stockholders.

Communications from Stockholders and Interested Parties

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., 3250 Briarpark Drive, Suite 400, Houston, Texas 77042, Attention: General Counsel and 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 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.

Table of Contents

Committees of Our Board

General

Board Committees General. Our Board currently has three standing committees: an Audit Committee, a Compensation Committee and a Nominating & Governance Committee. Each 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 Board. These charters form an integral part of our corporate governance policies, and a copy of each charter is available on our website at *http://www.cardtronics.com*.

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

Name	Audit Committee	Compensation Committee	Nominating & Governance Committee
J. Tim Arnoult	X		X*
Robert P. Barone	X*		X
Jorge Diaz		X	X
Dennis F. Lynch	X	X*	
G. Patrick Phillips	X	X	
Mark Rossi		X	
Michael A.R. Wilson		X	X

* Committee Chairman.

Audit Committee. Our Nominating & Governance Committee, 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 and NASDAQ listing standards. In addition, the Board, in its business judgment, has determined that each member of the Audit Committee satisfies the financial literacy requirements of the NASDAQ listing standards and that its chairman, Mr. Barone, qualifies as an audit committee financial expert within the meaning of the SEC s rules and regulations.

The Audit Committee is appointed by our Board to:

- assist the Board in fulfilling its oversight responsibilities with respect to our accounting and financial reporting process (including management s development and maintenance of a system of internal accounting and financial reporting controls) and audits of our financial statements;
- assist the Board in overseeing the integrity of our financial statements;
- assist the Board in overseeing our compliance with legal and regulatory requirements;
- assist the Board in overseeing the qualifications, independence and performance of our independent registered public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services;
- assist the Board in overseeing the effectiveness and performance of our internal audit function;
- prepare the Annual Audit Committee Report for inclusion in our proxy statement for our annual meeting of stockholders; and
- perform such other functions as our Board may assign to the Audit Committee from time to time.

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 firm and management regarding our financial reporting. The Audit Committee meets periodically with management and the independent registered public accounting firm in separate executive sessions, as needed, 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 below under the Audit Matters Report of Audit Committee section.

The Audit Committee held nine meetings during the fiscal year ended December 31, 2010.

Compensation Committee. Our Nominating & Governance Committee, in its business judgment, has determined that all five directors on the Compensation Committee currently satisfy the standards of independence established under the SEC s rules and regulations, NASDAQ listing standards and our Corporate Governance Principles.

The Report of the Compensation Committee is set forth under Compensation Committee Report section included below.

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;

prepare the annual Compensation Committee Report, in accordance with applicable rules and regulations;

otherwise discharge our Board s responsibilities relating to compensation of our directors and executive officers; and

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

In addition, the Compensation Committee works with our executive officers, including our Chief Executive Officer, to implement and promote our executive compensation strategy. See Executive Compensation Compensation Discussion and Analysis for additional information on the Compensation Committee s processes and procedures for the consideration and determination of executive compensation and Executive Compensation Director Compensation for additional information on its consideration and determination of director compensation.

The Compensation Committee held eight meetings during the fiscal year ended December 31, 2010.

Table of Contents

Nominating & Governance Committee. The Nominating & Governance Committee identifies individuals qualified to become members of our Board, makes recommendations to our Board regarding director nominees for the next annual meeting of stockholders, and develops and recommends corporate governance principles to our Board. The Nominating & Governance Committee, in its business judgment, has determined that it is comprised entirely of directors who satisfy the standards of independence established under NASDAQ listing standards and our Corporate Governance Principles. For information regarding the Nominating & Governance Committee s policies and procedures for identifying, evaluating and selecting director candidates, including candidates recommended by stockholders, see Corporate Governance Director Selection and Nomination Process above.

The Nominating & Governance Committee is delegated all authority of our Board as may be required or advisable to fulfill the purposes of the Nominating & Governance Committee as set forth in its charter. More particularly, the Nominating & Governance Committee:

- prepares and recommends to our Board for adoption appropriate Corporate Governance Principles and modifications from time to time to those principles;
- establishes criteria for selecting new directors and seeks individuals qualified to become board members for recommendation to our Board;
- seeks to implement the independence standards required by law, applicable listing standards, our certificate of incorporation or bylaws or our Corporate Governance Principles;
- determines whether or not each director and each prospective director is independent, disinterested or a non-employee director under the standards applicable to the committees on which such director is serving or may serve;
- reviews annually the advisability or need for any changes in the number and composition of our Board;
- reviews annually the advisability or need for any changes in the number, charters or titles of committees of our Board;
- recommends to our Board annually the composition of each Board committee and the individual director to serve as chairman of each committee;
- reports to our Board annually with an assessment of our Board s performance to be discussed with the full Board following the end of each fiscal year;
- works with our Compensation Committee relating to the evaluation, performance, development and success of the Chief Executive Officer (CEO) and executive officers to evaluate potential successors to the principal executive officer; and
- perform such other functions as our Board may assign to the Nominating & Governance Committee from time to time.

The Nominating & Governance Committee held seven meetings during the fiscal year ended December 31, 2010.

STOCK OWNERSHIP MATTERS

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934, as amended, (the Exchange Act) requires our officers and directors, and persons who own more than 10% of a registered class of our equity securities, to file reports of ownership on Form 3 and changes in ownership on Form 4 or Form 5 with the SEC. Such officers, directors and 10% stockholders are also required by securities laws to furnish us with copies of all Section 16(a) forms they file.

Table of Contents

Based solely on our review of copies of these reports and representations of such reporting persons, we believe that during the year ended December 31, 2010, such SEC filing requirements were satisfied, except for a late filing made by E. Brad Conrad on November 19, 2010 with regard to 10,000 shares of restricted stock granted to him on November 9, 2010 by the Company upon his promotion to Chief Accounting Officer.

Securities Authorized for Issuance under Equity Compensation Plans

The following table sets forth information as of December 31, 2010, with respect to the compensation plans under which our common units are authorized for issuance, aggregated as follows:

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights (a)	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights (b)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a)) (c)
Equity compensation plans approved by security holders [1]	270,850	$ 7.41	2,662,573
Equity compensation plans not approved by security holders [2]	2,241,155	$ 9.90	
Total	2,512,005	$ 9.63	2,662,573

(1) Represents our 2007 Stock Incentive Plan. For additional information on the terms of this plan, see Executive Compensation Narrative Disclosure to Summary Compensation Table and Grants of Plan-Based Awards Table Equity Incentive Awards and Compensation Discussion and Analysis Components of Executive Compensation Long-Term Incentive Plans 2007 Plan.

(2) Represents our 2001 Stock Incentive Plan. For additional information on the terms of this plan, see Compensation Discussion and Analysis Components of Executive Compensation Long-Term Incentive Plans 2001 Plan.

Security Ownership of Certain Beneficial Owners and Management

The following table sets forth information regarding the beneficial ownership of our common stock as of April 20, 2011 for:

- each person known by us to beneficially own more than 5% of our common stock;
- each of our directors and director nominees;
- each of our Named Executive Officers (as such term is defined by the SEC); and
- all directors and executive officers as a group.

Footnote 1 to the following table provides a brief explanation of what is meant by the term beneficial ownership. The number of shares of common stock and the percentages of beneficial ownership are based on

43,068,122 shares of common stock outstanding as of April 20, 2011, and the number of shares owned and acquired within 60 days at April 20, 2011 by the named person assuming no other person exercise options, with the exception of the amounts reported in filings on Schedule 13G, which amounts are based on holdings as of December 31, 2010, or as otherwise disclosed in such filings. The amounts presented may not add due to rounding.

To our knowledge and except as indicated in the footnotes to this table and subject to applicable community property laws, the persons named in this table have the sole voting power with respect to all shares of common stock listed as beneficially owned by them.

Name and Address of Beneficial Owners[1] [2]	Amount and Nature of Beneficial Ownership	Percent of Common Stock Beneficially Owned
5% Stockholders:		
Valinor Management, LLC [3]	2,498,504	5.8%
David Gallo [3]	2,498,504	5.8%
Directors and Named Executive Officers:		
J. Chris Brewster [4]	636,170	1.5%
Rick Updyke [5]	415,780	1.0%
Steven A. Rathgaber [6]	326,700	*
Michael H. Clinard [7]	221,485	*
Carleton K. Tres Thompson, III [8]	116,675	*
Jorge M. Diaz [9]	59,099	*
E. Brad Conrad [10]	41,250	*
Dennis F. Lynch [11]	29,452	*
Robert P. Barone [12]	27,420	*
J. Tim Arnoult [13]	21,355	*
Michael A.R. Wilson [14]	13,740	*
G. Patrick Phillips [15]	9,102	*
Mark Rossi [16]	3,114	*
All directors and executive officers as a group (14 persons)	2,027,673	4.6%

* Less than 1.0% of our outstanding common stock

(1) Beneficial ownership is a term broadly defined by the SEC in Rule 13d-3 under the Exchange Act and includes more than the typical forms of stock ownership, that is, stock held in the person s name. The term also includes what is referred to as indirect ownership meaning ownership of shares as to which a person has or shares investment or voting power, or a person who, through a trust or proxy, prevents the person from having beneficial ownership. For the purpose of this table, a person or group of persons is deemed to have beneficial ownership of any shares as of April 20, 2011, if that person or group has the right to acquire shares within 60 days after such date.

(2) The address for each Named Executive Officer and director set forth in the table, unless otherwise indicated, is c/o Cardtronics, Inc., 3250 Briarpark Drive, Suite 400, Houston, Texas 77042. The address of Valinor Management, LLC and David Gallo is 90 Park Avenue, 40th Floor, New York, New York 10016.

(3) As reported on Amendment No. 1 to Schedule 13G dated as of December 31, 2010 and filed with the SEC on February 11, 2011, Valinor Management, LLC and David Gallo are considered beneficial owners, with shared voting and dispositive powers of 2,498,504 shares each.

(4) Includes 34,261 shares owned directly; 90,000 restricted shares, the forfeiture restrictions on which lapse as to 45,000 shares on each of the two remaining anniversaries of the grant date beginning in June 2011; 75,000 shares of restricted shares, the forfeiture restrictions on which lapse as to 25,000 shares on each of the three remaining anniversaries of the grant date beginning in January 2012; and 436,909 options which are exercisable within

60 days of April 20, 2011.

(5) Includes 22,583 shares owned directly; 40,000 restricted shares, the forfeiture restrictions on which lapse as to 20,000 shares on each of the two remaining anniversaries of the grant date beginning in June 2011; 75,000 shares of restricted shares, the forfeiture restrictions on which lapse as to 25,000 shares on each of the three remaining anniversaries of the grant date beginning in January 2012; and 278,197 options which are exercisable within 60 days of April 20, 2011.

(6) Includes 64,200 shares owned directly and 262,500 restricted shares, the forfeiture restrictions on which lapse as to 87,500 shares on each of the three remaining anniversaries of the grant date beginning in February 2012.

(7) Includes 67,000 restricted shares, the forfeiture restrictions on which lapse as to 33,500 shares on each of the two remaining anniversaries of the grant date beginning in June 2011; 75,000 restricted shares, the forfeiture restrictions on which lapse as to 25,000 shares on each of the three remaining anniversaries of the grant date beginning in January 2012; and 79,485 options that are exercisable within 60 days of April 20, 2011.

(8) Includes 16,920 shares owned directly; 40,000 restricted shares, the forfeiture restrictions on which lapse as to 20,000 shares on each of the two remaining anniversaries of the grant date beginning in June 2011; 20,000 restricted shares, the forfeiture restrictions on which lapse as to 5,000 shares on each of the first four anniversaries of the grant date beginning in November 2011; and 39,755 options which are exercisable within 60 days of April 20, 2011.

Table of Contents

(9) Includes 28,243 shares owned directly; 3,114 restricted shares, the forfeiture restrictions on which lapse in March 2012; and 27,742 options that are exercisable within 60 days of April 20, 2011.

(10) Includes 6,250 restricted shares, the forfeiture restrictions on which lapse in April 2012; 10,000 restricted shares, the forfeiture restrictions on which lapse as to 2,500 shares on each of the first four anniversaries of the grant date beginning in November 2011; and 18,750 options which are exercisable within 60 days of April 20, 2011.

(11) Includes 26,338 shares owned directly and 3,114 restricted shares, the forfeiture restrictions on which lapse in March 2012.

(12) Includes 5,000 shares owned directly; 3,114 restricted shares, the forfeiture restrictions on which lapse in March 2012; and 19,306 options that are exercisable within 60 days of April 20, 2011.

(13) Includes 18,241 shares owned directly and 3,114 restricted shares, the forfeiture restrictions on which lapse in March 2012.

(14) The shares indicated are shares which were distributed to Mr. Wilson in February 2011 in a pro rata distribution by the TA Funds for no consideration in transactions exempt under Rule 16a-9(a).

(15) Includes 5,988 shares owned directly and 3,114 restricted shares, the forfeiture restrictions on which lapse in March 2012.

(16) The shares indicated are restricted shares, the forfeiture restrictions on which lapse in March 2012.

EXECUTIVE OFFICERS

Our executive officers are appointed by the Board on an annual basis and serve until removed by the Board or their successors have been duly appointed. The following table sets forth the name, age and position of each person who was serving as an executive officer of Cardtronics as of the Annual Meeting date:

Name	Age	Position
Steven A. Rathgaber	57	Chief Executive Officer
J. Chris Brewster	62	Chief Financial Officer
Michael H. Clinard	44	President Global Services
Rick Updyke	51	President U.S. Business Group
Ronald Delnevo	56	Managing Director U.K. and Europe
E. Brad Conrad	38	Chief Accounting Officer

The following biographies describe the business experience of our executive officers:

Steven A. Rathgaber has been our Chief Executive Officer and has served as a director of our Company since February 1, 2010. From January 1991 to January 2010, Mr. Rathgaber was employed by NYCE Payments Network, LLC, a wholly-owned subsidiary of Fidelity National Information Services, Inc. Mr. Rathgaber most recently served as the President and Chief Operating Officer of NYCE, a role he assumed in September 2004. From April 1989 to January 1991, Mr. Rathgaber served as a founding partner of Veritas Venture, a start-up software development company. From May 1981 to March 1989, Mr. Rathgaber served in a number of executive-level roles within Automatic Data Processing, Inc., and from January 1977 to April 1981, Mr. Rathgaber held numerous positions within Citibank. Mr. Rathgaber also served on the board of Everlink Payment Services, a joint venture between the United States-based NYCE Payments Network and Celero, a Canadian credit union processing company, from the company s inception in September 2003 until December 2009. He also served as Chairman of the Everlink board from June 2004 until May 2006. Mr. Rathgaber holds a Bachelor of Science degree in Accounting from St. John s University.

Table of Contents

J. Chris Brewster has served as our Chief Financial Officer since February 2004. From September 2002 until February 2004, Mr. Brewster provided consulting services to various businesses. From October 2001 until September 2002, Mr. Brewster served as Executive Vice President and Chief Financial Officer of Imperial Sugar Company, a NASDAQ-quoted refiner and marketer of sugar and related products. From March 2000 to September 2001, Mr. Brewster served as Chief Executive Officer and Chief Financial Officer of WorldOil.com, a privately-held Internet, trade magazine, book and catalog publishing business. From January 1997 to February 2000, Mr. Brewster served as a partner of Bellmeade Capital Partners, LLC, a merchant banking firm specializing in the consolidation of fragmented industries. From March 1992 to September 1996, he served as Chief Financial Officer of Sanifill, Inc., a New York Stock Exchange-listed environmental services company. From May 1984 to March 1992, he served as Chief Financial Officer of National Convenience Stores, Inc., a New York Stock Exchange-listed operator of 1,100 convenience stores. Mr. Brewster holds a Bachelor of Science degree in industrial management from the Massachusetts Institute of Technology and a Masters of Business Administration from Harvard Business School.

Michael H. Clinard has served as our President of Global Services since June 2008. Prior to such time, he served as our Chief Operating Officer following his original employment with us in August 1997. He holds a Bachelor of Science degree in business management from Howard Payne University. Mr. Clinard also serves as a director and Vice President of the ATM Industry Association.

Rick Updyke has served as the President of our U.S. Business Group since October 2010. Prior to such time, he served as our President of Global Development from June 2008 to October 2010 and as our Chief Strategy and Development Officer following his original employment with us in July 2007. From February 1984 to July 2007, Mr. Updyke held various positions with Dallas-based 7-Eleven, Inc., a convenience store retail company, most recently serving as Vice President of Corporate Business Development from February 2001 to July 2007. He holds a Bachelor of Business Administration degree in management information systems from Texas Tech University and a Masters of Business Administration from Amberton University.

Ronald Delnevo has served as Managing Director of our U.K. and European Operations since July 2000 and has been with our wholly-owned U.K. subsidiary, Bank Machine Ltd. (Bank Machine, formerly the ATM division of Euronet, a processor of financial and payment transactions), since 1998. From May 2005 to December 2007, Mr. Delnevo served as a director on our Board. He currently serves as Chairman of the Association of Independent Cash Machine Operators, a member of two committees of the U.K. Payments Council, a member of the European Board of the ATMIA, and a member of two committees of LINK, the operator of the primary U.K. ATM network that connects almost all U.K. ATM operators. Prior to joining Bank Machine, Mr. Delnevo served in various consulting roles in the retail sector. Mr. Delnevo was educated at Heriot Watt University in Edinburgh and holds a degree in business organization and a diploma in personnel management.

E. Brad Conrad has served as our Chief Accounting Officer since October 2010. From April 2008 to October 2010, he served as our Senior Vice President and Corporate Controller. From October 2002 until April 2008, Mr. Conrad served in various roles at Consolidated Graphics, Inc., an international commercial printing company, including Vice President and Controller from December 2006 to April 2008. From September 1997 to October 2002, Mr. Conrad served in several finance and accounting roles at Peregrine Systems, Inc., an enterprise software company. Mr. Conrad began his career in 1995 with KPMG LLP where he worked in that firm s audit practice. Mr. Conrad holds a Masters in Professional Accounting degree and a Bachelors of Business Administration degree from the University of Texas at Austin and is a licensed certified public accountant in the state of Texas.

COMPENSATION DISCUSSION AND ANALYSIS

Objectives of Our Executive Compensation Program

The primary objectives of our executive compensation program are to attract, retain, and motivate qualified individuals who are capable of leading our Company to meet its business objectives and to increase overall stockholder value. To achieve these objectives, our Compensation Committee s philosophy has been to implement a compensation program that aligns the interests of management with those of our investors and to provide a compensation program that creates incentives for and rewards performances of the individuals based on our overall success and the achievement of individual performance objectives. Specifically, our compensation program provides management with the incentive to achieve or maximize certain Company-level performance measures. Each year, based upon the expected circumstances and conditions confronting the Company for that year, the Compensation Committee selects performance metrics that it believes will produce the best return for our stockholders given the then-current conditions. For 2010, the committee selected (1) adjusted earnings before interest expense, income taxes, and depreciation, accretion and amortization expense, as well as certain other non-recurring or non-cash items (Adjusted EBITDA), (2) return on invested capital (ROIC), as defined in our non-equity incentive compensation plan, which is described in more detail below, and (3) total revenues, as reported in our audited financial statements.

Our Compensation Committee believes that it is in the best interests of our investors and our executive officers for our compensation program to remain relatively uncomplicated and straightforward, which should reduce the time and cost involved in setting our compensation policies and calculating the payments under such policies, as well as reduce the time involved in furthering our investors understanding of such policies.

Named Executive Officers

The Compensation Committee s responsibility includes the establishment of all compensation programs for our executive officers as well as oversight for other broad-based employee benefits programs. The compensation arrangements focused on in this Compensation Discussion and Analysis relate primarily to our Named Executive Officers. For the year ended December 31, 2010, our Named Executive Officers were:

Name	Position
Steven A. Rathgaber	Chief Executive Officer
Fred R. Lummis	Interim Chief Executive Officer
J. Chris Brewster	Chief Financial Officer
Michael H. Clinard	President Global Services
Rick Updyke	President U.S. Business Group
E. Brad Conrad	Chief Accounting Officer
Carleton K. Tres Thompson, III	Executive Vice President Domestic ATM Services and former Chief Accounting Officer

In March 2009, our former Chief Executive Officer left the Company and the Board of Directors. Fred R. Lummis, the Chairman of our Board at that time, agreed to serve as our Interim Chief Executive Officer while the Board conducted a search for a permanent successor. On February 1, 2010, Mr. Lummis resigned as the Company s Interim Chief Executive Officer, concurrent with the appointment of Steven A. Rathgaber as our Chief Executive Officer. Mr. Lummis received no compensation in 2010 for his service as our Interim Chief Executive Officer. In connection with Tres Thompson s appointment as Executive Vice President Domestic ATM Services in October 2010, he relinquished his position as Chief Accounting Officer and is no longer an executive officer of the Company. However, pursuant to the SEC s rules, he is deemed to be one of our 2010 Named Executive Officers.

Compensation Review

In 2008, the Compensation Committee engaged an independent compensation consulting firm, Pearl Meyer & Partners (PM&P), to provide advice and counsel on executive compensation matters, and the Compensation Committee determined that it was in the Company s best interest to continue PM&P s engagement into fiscal years 2009 and 2010. During such time, PM&P provided no services to the Company other than those provided directly to, or on behalf of, the Compensation Committee. In 2008, 2009 and 2010, PM&P provided our Compensation Committee with the following:

- updates regarding regulatory changes affecting our compensation program;
- information on market trends, practices and other data;
- assistance in designing program elements; and
- overall guidance and advice about the efficacy of each element of our compensation program and its fit within the Compensation Committee s developing compensation philosophy.

Additionally, during 2010, the Compensation Committee primarily utilized PM&P to assist in the development of a long-term equity incentive plan (LTIP), which was approved and implemented in January 2011. While the PM&P guidance has been a valuable resource for the Compensation Committee in identifying compensation trends and determining competitive compensation packages for our Company, the Compensation Committee has the final authority over all executive compensation decisions, except for decisions relating to our Chief Executive Officer s compensation (which rests with the Board), and is not bound to adhere to any advice or recommendations that PM&P may provide to the Compensation Committee. Prior to PM&P s engagement in 2008, no comprehensive or formal study had been conducted to review the executives pay elements, the weighting of these elements, and the position with respect to the competitive markets. The data contained in PM&P s studies during the past three years provided our Compensation Committee with a foundation for making compensation-related decisions. In January 2011, the Compensation Committee engaged Meridian Compensation Partners, LLC (Meridian) to provide executive compensation consulting services for 2011.

Peer Company Compensation Analysis

The Compensation Committee has historically analyzed the compensation practices of a group of companies we consider to be our peers. Composition of the peer group is based upon a combination of the following factors: (1) companies that are competitors for our products and services; (2) companies that compete for our specialized talent; (3) companies that may experience similar market cycles to ours; (4) companies that may be tracked similarly by analysts; and (5) companies that are in a generally comparable bracket of market capitalization and/or revenue to ours.

The peer group provides meaningful reference points for competitive practices, types of equity rewards used, and equity usage levels for the executives as well as the total amount of shares set aside for equity programs. The Compensation Committee s goal is to provide a total compensation package that is competitive with prevailing practices in our industry and within the peer group. Individual peers utilized in the peer group are periodically reviewed and may change over time, as needed. The base peer group used for the 2010 market analyses was as follows:

Company Name	**Fiscal Year 2010 Revenue** *(In millions)*
Coinstar, Inc.	$ 1,436.4
Euronet Worldwide, Inc.	1,038.3
Global Cash Access Holdings, Inc.	605.6
Heartland Payment Systems, Inc.	1,864.3
TNS, Inc.	527.1
Wright Express Corporation	390.4

In addition to studying the compensation practices and trends at companies that are considered peers, the Compensation Committee has also determined that it is beneficial to our understanding of more general compensation expectations to consider the best practices in compensation policies from other companies that are not necessarily peers or limited to our industry. The Compensation Committee does not react to or structure our compensation programs on market data alone, and it does not utilize any true benchmarking techniques when making compensation decisions. The Compensation Committee did not use the peer group to establish a particular range of compensation for any element of pay in 2010. Rather, peer group and other market data were used as general guidelines in the Compensation Committee s deliberations.

Table of Contents

Role of the Chief Executive Officer in Executive Compensation Decisions

Our CEO has historically worked very closely with our Compensation Committee. However, the CEO does not make, participate in, provide input for, or make recommendations about his own compensation. The Compensation Committee also meets in executive session, independently of the CEO and other members of senior management, to review not only compensation issues related to the CEO, but those of all Named Executive Officers and employees. Other than the CEO, none of our other Named Executive Officers provides direct recommendations to the Compensation Committee or participates in the executive compensation setting process.

Role of the Chief Executive Officer and Chief Financial Officer in Compiling the Compensation Discussion and Analysis Data

The management team compiled the tabular data for this Compensation Discussion and Analysis. The Compensation Committee has reviewed this data for thoroughness, consistency, and accuracy within the framework of the general charter of the Compensation Committee (described in the Corporate Governance Committees of Our Board Compensation Committee section above).

Components of Executive Compensation

Our executive compensation program consists of three primary elements: (1) base salary, (2) annual non-equity incentive plan awards, and (3) long-term equity awards. In determining the level of total compensation to be set for each compensation component, our Compensation Committee considers a number of factors, including market competitiveness analyses of our compensation levels compared with those paid by comparable companies, our most recent annual performance, each individual executive officer s performance, the desire to maintain internal equity and consistency among our executive officers, and any other considerations that the Compensation Committee deems to be relevant. In addition to the three primary compensation components, we provide our executive officers with discretionary bonuses (as conditions warrant), severance, certain other generally available benefits, such as healthcare plans that are available to all employees, and certain limited perquisites.

While our Compensation Committee reviews the total compensation package we provide to each of our executive officers, our Board and the Compensation Committee view each element of our compensation program as serving a specific purpose and, therefore, as distinct elements. In other words, a significant amount of compensation paid to an executive in the form of one element will not necessarily cause us to reduce another element of the executive s compensation. Accordingly, we have not adopted any formal or informal policy for allocating compensation between long-term and short-term, between cash and non-cash or among the different forms of non-cash compensation.

The table below provides a summary of each element of pay, the form in which it is paid, the purpose or objective of each element and any performance metrics associated with each element.

Table of Contents

Element	Form of Compensation	Purpose/Objective	Performance Metric(s)
Base Pay	Cash fixed	To recognize role, responsibilities and experience consistent with market for comparable positions	NA Not performance-based
Annual Non-Equity Incentive Plan Awards	Cash variable	To reward operating results consistent with the non-equity incentive compensation plan and to provide a strong motivational tool to achieve earnings and other related pre-established objectives	For 2010, the Compensation Committee selected Adjusted EBITDA, ROIC, and revenues as the performance metrics. However, for 2011, the Compensation Committee selected Adjusted Operating Income, defined in Annual Non-Equity Incentive Plan Awards 2011 Annual Non-Equity Incentive Plan Award Changes below, and revenues.
Long-Term Incentive Awards	Stock options, restricted stock awards, and restricted stock units variable	To create a strong financial incentive for achieving or exceeding long-term performance goals, to tie the interests of management to the interests of stockholders, and to encourage a significant equity stake in our Company	Historically, these awards have not been performance-based. However, in January 2011, the Compensation Committee adopted the 2011 Long-Term Incentive Plan that calls for the granting of performance-based awards. For 2011, the Compensation Committee selected revenue growth and earnings per share growth as the two performance metrics.
Discretionary Bonuses	Cash variable	To reward an executive for significant contributions to a Company initiative or when the executive has performed at a level above what was expected	Varies, but typically relates to performance with respect to special projects that require significant time and effort on the part of the executive
Health, Life, Retirement Savings and Other Benefits	Eligibility to participate in benefit plans generally available to our employees, including	Plans are part of our broad-based employee benefits program	Not performance-based

	retirement, health, life insurance and disability plans generally fixed		
Executive Severance and Change in Control Agreements	Payment of compensation and for benefit coverage costs in the form of separation payments subject to compliance with restrictive covenants and related conditions. Levels are fixed for duration of employment agreements	To provide the executive with assurances against certain types of terminations without cause or resulting from change-in-control where the terminations were not based upon cause. This type of protection is intended to provide the executive with a basis for keeping focus and functioning in the stockholders interests at all times	Not performance-based
Limited Perquisites	Cash fixed	To provide executive with additional benefits considered necessary or customary for his position	Not performance-based

Table of Contents

Base Salary

The base salaries for our executive officers are set at levels believed to be sufficient to attract and retain qualified individuals. We believe that our base salaries are an important element of our executive compensation program because they provide our executive officers with a fixed income stream, based upon their roles within our organization and their relative skills and experience. Initial base salary levels, which for the Named Executive Officers are set or approved by our Compensation Committee, take into consideration, in addition to the scope of an individual executive s responsibilities, the compensation paid by other companies with which we believe we compete for executives. As described above, the Compensation Committee did not use the peer group to establish a particular range of salary compensation in 2010. Rather, peer group and other market data were used as general guidelines in the Compensation Committee s deliberations.

Subsequent changes in the base salaries of executive officers, other than the CEO, are typically reviewed and approved by our Compensation Committee based on recommendations made by our CEO, who conducts annual performance reviews of each executive. Subsequent changes in the base salary of the CEO are determined by our Compensation Committee, which reviews the CEO s performance on an annual basis, and are approved by the Board. Both the CEO s review and the Compensation Committee s review include (1) an analysis of how an individual executive performed against his personalized goals, which are jointly set by the executive and the CEO at the beginning of each year and are further discussed in Annual Non-Equity Incentive Plan Awards below, or, in the case of the CEO, by the CEO and the Board and (2) an analysis of the Company s performance for the year. Additional factors considered may include other achievements or accomplishments of the individual during the year, any mitigating priorities during the year that may have resulted in a change in the executive s goals, market conditions, an executive s participation in the development of other Company employees, as well as any additional responsibilities that were assumed by the executive during the period.

For 2010, in connection with the hiring of Mr. Rathgaber, the Compensation Committee reviewed the 2009 compensation report from PM&P with respect to salary amounts paid by our peer group. However, Mr. Rathgaber s initial base salary was based on the Compensation Committee s subjective determination of the appropriate amount that was necessary to recruit Mr. Rathgaber. With respect to other base salary decisions made in 2010, based on the recommendations of our Interim Chief Executive Officer, the Compensation Committee ended the previously imposed salary freeze and approved merit increases of 4% for each Messrs. Brewster, Clinard, and Updyke and of 5% for Mr. Thompson. In determining the appropriate amount of the increases, the Compensation Committee generally considered the factors described above, with no particular emphasis on any factor, as well as our efforts to continue to manage the Company s overall expense structure. In October 2010, in connection with Mr. Thompson s appointment as Executive Vice President Domestic ATM Services and Mr. Conrad s promotion to Chief Accounting Officer, each of their respective base salaries were increased. In determining the appropriate amount of the increase for each officer, the Compensation Committee assessed the reasonableness of the increases in light of the officers new duties and responsibilities, partly taking into account the salary data contained in the 2009 PM&P report but not setting any particular targets.

The following table reflects base salary amounts for the Named Executive Officers for 2010 and 2009:

Named Executive Officer	2010 Base Salary	2009 Base Salary
Steven A. Rathgaber	$ 525,000 (1)	N/A (1)
Fred R. Lummis	N/A (2)	N/A (2)
J. Chris Brewster	$ 314,600	$ 302,500
Michael H. Clinard	$ 385,632	$ 370,800
Rick Updyke	$ 302,640	$ 291,000
E. Brad Conrad	$ 191,292 (3)	N/A (4)
Carleton K. Tres Thompson, III	$ 218,475 (5)	$ 200,170

(1)

Mr. Rathgaber s employment with us as our Chief Executive Officer began in February 1, 2010; therefore, he was paid a proportionate share of his 2010 Base Salary in 2010.

(2) Mr. Lummis served as our Interim Chief Executive Officer from March 17, 2009 through February 1, 2010. He was not paid a base salary for his services.

(3) The amount presented for Mr. Conrad is a blended base salary based on his base salary prior to his promotion in October 2010 and his base salary subsequent to his promotion.

(4) Mr. Conrad became an executive officer in October 2010. He was not a Named Executive Officer in 2009.

(5) The amount presented for Mr. Thompson is a blended base salary based on his base salary prior to his promotion in October 2010 and his base salary subsequent to his promotion.

Table of Contents

Annual Non-Equity Incentive Plan Awards

To accomplish our goal of aligning the interests of management with those of our investors, the Compensation Committee ties a portion of the annual cash compensation earned by our executives to a targeted level of financial operating results. Each year, management proposes and the Compensation Committee approves a non-equity incentive compensation plan (the Plan). Under each annual Plan, each executive officer has a target payout, which is established under his employment agreement as a percentage of his base salary. For our Named Executive Officers, the 2010 threshold, target, and maximum annual incentive payout amounts were as follows:

	2010 Incentive Payout as a % of Base Salary		
Named Executive Officer	**Threshold Performance**	**Target Performance**	**Maximum Performance**
Steven A. Rathgaber	25%	50%	100%
Fred R. Lummis			
J. Chris Brewster	25%	50%	100%
Michael H. Clinard	25%	50%	100%
Rick Updyke	25%	50%	100%
E. Brad Conrad (1)	16%	32%	64%
Carleton K. Tres Thompson, III	20%	40%	80%

(1) Percentages presented for Mr. Conrad are blended rates based on his threshold, target, and maximum percentages amounts prior to his promotion on October 15, 2010 and his threshold, target, and maximum percentage amounts subsequent to his promotion.

The target payout percentage for each executive is contractual in nature whereas the threshold and maximum payout percentages reflect the Compensation Committee s desire that the Plan pay bonuses relative to the Company s actual performance and to provide for substantially increased rewards when performance targets are exceeded. Accordingly, the Compensation Committee in its discretion set the above threshold and maximum performance payout percentages.

Under the 2010 Plan, a Company-wide overall bonus pool, which is based on the aggregate target payout opportunities for Plan participants, would be funded if the Company (i) achieved its threshold level of fiscal year corporate Adjusted EBITDA, which is described in greater detail below, and (ii) was in compliance with all material public company regulations and reporting requirements for the fiscal year. If the bonus pool is eligible to be funded, then determination of the level at which the pool would be funded is based the Company s level of achievement of the following three financial performance measures: Adjusted EBITDA, return on invested capital (ROIC) and revenues. Assuming threshold performance is achieved for all performance metrics, then the bonus pool is funded at 50% of target pool; target performance funds the bonus pool at 100% of target payout; and performance at or above the maximum level funds the bonus pool at 200% of target pool. The Compensation Committee retains absolute discretion in determining the extent to which any actual payouts are made under the Plan.

As previously noted, based upon the expected circumstances and conditions confronting the Company for a given year, the Compensation Committee selects performance metrics that it believes will produce the best return for our stockholders given the then-current conditions. For 2010, the Compensation Committee set the following performance measures and related performance levels:

Adjusted EBITDA. The 2010 target amount for Adjusted EBITDA ($120.0 million) was set within the Adjusted EBITDA range communicated to our investors at the beginning of the year ($118.0 million to $123.0 million.) The threshold and maximum levels for 2010 were set at 91.7% and 116.7%, respectively, of our target.

ROIC. For 2010, the threshold ROIC level was set at 17.1% (which is the level achieved if the Capital Invested (defined below) was at budgeted levels and Adjusted EBITDA was 91.7% of budget); the targeted ROIC level was set at 20.2% (which is the level achieved if the Capital Invested and Adjusted EBITDA were both 100% of budget); and the maximum ROIC level was set at 26.4% (which was the level achieved if Capital Invested was at budgeted levels and Adjusted EBITDA was 116.7% of budget).

Revenues. For 2010, the target amount was set at $538.3 million, with the threshold level set at 98.0% of the target and the maximum set at 104.0% of the target.

Table of Contents

When establishing the appropriate threshold, target and maximum performance levels for the performance measures, we typically set the target level at ranges that are consistent with those reflected in our annual budget, which may vary from the amounts communicated to investors at the beginning of the year. For 2010, the target performance levels for both Adjusted EBITDA and ROIC were within the ranges set forth in our annual budget and, in the case of Adjusted EBITDA, communicated to investors at the beginning of the year. However, our 2010 revenue target was set at a level in excess of the range set forth in our annual budget in an effort to provide participants with the incentive to achieve results greater than those expected. Our goal for each performance measure is to establish a target level of performance for each measure that we are not certain to attain, so that achieving or exceeding the target level requires significant effort by our executive officers. Additionally, the Compensation Committee has discretion to adjust our threshold, target and maximum performance metrics to take into account the occurrence of any material event, such as a material acquisition, which would impact the calculation of these performance metrics. The Compensation Committee exercised this discretion in 2010, as noted below, and adjusted the actual performance measures for foreign currency movements from the annual budget.

The following table provides the 2010 pre-established performance levels for our Named Executive Officers, the relative weighting of each performance metric, and the Company s actual performance results, which were adjusted for the effects of foreign currency exchange rate movements from budget (*in thousands, except percentages*). Based on actual 2010 results, as adjusted for foreign currency exchange rate movements from budget, the bonus pool was funded at 144% of target payout opportunities.

Metric	**Weighting**	**Threshold**	**Target**	**Maximum**	**Actual 2010 Company Performance** (3)	**Adjusted 2010 Company Performance** (2)
Adjusted EBITDA	40%	$110,000	$120,000	$140,000	$ 130,819	$ 131,300
ROIC (1)	40%	17.1%	20.2%	26.4%	24.1%	24.3%
Total Revenues	20%	527,534	538,300	559,832	532,078	533,300

(1) ROIC for 2010 is defined in the 2010 Plan as follows:

Net Operating Profit After Tax (NOPAT) divided by Capital Invested, where:

NOPAT is defined as Adjusted EBITDA less depreciation, less amortization of intangible assets, less adjustments for non-wholly-owned subsidiaries, less income taxes at a 35% tax rate; and

Capital Invested is defined as the average of our total assets minus goodwill, minus accounts payable, accrued liabilities, assets related to interest rate hedging activities (if applicable) and asset retirement obligations, as reported in our quarterly reports on Form 10-Q and annual reports on Form 10-K for the trailing five quarterly periods then ended.

(2) Includes the impact of foreign currency movements from budget.

(3) Reference is made to our 2010 Annual Report on Form 10-K for the reconciliation and calculation of Adjusted EBITDA for 2010.

Each executive s payout amount was then adjusted based on the Compensation Committee s evaluation of the performance of each executive in accomplishing certain pre-established individual performance targets that are referred to as management by objectives or MBOs . MBOs are initially established at the beginning of the year but may be modified during the year due to unforeseen events. During 2010, our executive officers dealt with several unexpected events, including the regulatory changes made by the Mexican government regarding ATM fee structures, two secondary offerings conducted on behalf of our two private equity investors, and a company reorganization, which resulted in certain administrative changes. The following accomplishments of our Named Executive Officers were the material MBOs that were considered by the Compensation Committee in determining the appropriate 2010 bonus payout for each officer:

Table of Contents

Steve Rathgaber:

Mr. Rathgaber began his employment with Cardtronics on February 1, 2010. During his first 11 months with the Company he (i) lead the efforts in two successful secondary offerings that substantially diversified the Company s stockholder base, (ii) initiated efforts to improve product features/functionalities, reduce vendor expenses and expand the Company s sales organization, (iii) implemented an enterprise risk management process, (iv) re-organized the Company s organizational structure to improve accountability, (v) made the Company s employee benefit package more competitive, (vi) responded quickly and effectively to proposed and actual governmental action that affected the Company, and (vii) successfully became the face of the Company to the investor community. As a result of the above, the Company s stock price appreciated significantly during 2010.

Chris Brewster:

In his sixth year as the Company s CFO, Mr. Brewster (i) improved considerably the financial structure of the Company by refinancing the Company s long term bond debt to not only reduce interest expense, but also considerably extend the maturity date of such indebtedness, (ii) led the Company s efforts in procuring a new $175 million dollar credit facility with significantly more flexible features, (iii) coordinated the Company s financial and legal efforts associated with two secondary offerings that substantially diversified the Company s stockholder base, (iv) improved financial reporting and forecasting operations, and (v) served as the Company s investor relations point man and increased analysts coverage of the Company.

Mike Clinard:

In 2010, Mr. Clinard spearheaded the Company s successful efforts (i) to improve sales and sales support efforts with respect to our turnkey operations at our major national customers so as to increase our profitability at such locations, (ii) to launch a managed services program for ATM units deployed at major retailers, (iii) to increase our profitability through improving our operational efficiencies, including bringing all of our ATMs onto the Company s in-house processing switch and expanding our remote ATM monitoring system to improve our ATM reliability rate, and (iv) to negotiate favorable new third party service agreements such as armored courier and gateway processing and to coordinate the implementation of such new agreements.

Rick Updyke:

In 2010, Mr. Updyke (i) achieved his assigned sales goals that included not only reaching his targeted number of new ATM deployments, but also a significant managed service agreement with a major retailer and a bank branding agreement in Puerto Rico, (ii) improved significantly the Company s sales team and sales pipeline process to maximize the Company s future sales opportunities, and (iii) expertly managed our operations in the U.K. to improve its performance and in Mexico to offset significantly the negative impact of governmental regulations vis-à-vis ATM fees.

Brad Conrad:

In 2010, Mr. Conrad served the Company in two positions: Senior Vice President-Corporate Controller from January through September and as Chief Accounting Officer beginning in October. In those positions, he (i) implemented additional financial and operational reporting metrics that enable the Company s management team to make better informed decisions on the Company s current and future activities, (ii) defined and implemented the financial structure of our managed services offering, which was introduced in 2010, and (iii) provided significant leadership and guidance to our U.K. and Mexico financial operations.

Tres Thompson:

In 2010, Mr. Thompson served first as Chief Accounting Officer from January through September and then as Executive Vice President Domestic ATM Services beginning in October. In the former position, he (i) implemented a tax risk oversight process, (ii) improved the internal capabilities of the U.K. finance organization, and (iii) together with Mr. Conrad implemented additional financial and operational reporting metrics that enable the Company s management team to make better informed decisions on the Company s current and future activities. In connection with his new role as Executive Vice President Domestic ATM Services, Mr. Thompson has helped put in place initiatives that will further strengthen the Company s national and regional sales and customer relationship management efforts. Additionally, Mr. Thompson initiated the development of new products and services aimed at increasing the level of transactions occurring at the Company s ATMs and, in turn, the level of merchandise sales occurring within the Company s retail customer base.

Table of Contents

The following is a description of the payout multiplier that may be applied to an executive s payout amount:

MBO Rating	Performance	2010 Incentive Payout Multiplier
10	All MBOs exceeded	120%
9	All MBOs attained; other exceptional achievements	110%
8	All MBOs attained	100%
7	Substantially all MBOs attained	90%
6	Most but not all MBOs attained	80%
5	MBOs partially attained	60%
4	Most MBOs missed	30%
3	Substantially all MBOs not attained	10%
1-2		