

**CHECKFREE CORPORATION**  
**A COMPANY LISTED ON THE NASDAQ NATIONAL MARKET**  
**SECOND AMENDED AND RESTATED**  
**AUDIT COMMITTEE CHARTER**

As Adopted September 9, 2004

This Charter sets forth the role and responsibilities of the Audit Committee of the Board of Directors of the Company in its financial reporting system. The purpose of the Audit Committee is to oversee the accounting and financial reporting processes and the audits of the financial statements of the Company.

In its capacity as a committee of the Board, the Audit Committee is directly responsible for the appointment, compensation, retention and oversight of the work of any registered public accounting firm engaged, including resolution of disagreements between management and the auditor regarding financial reporting, for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company, and each such registered public accounting firm must report directly to the Audit Committee.

The Audit Committee shall pre-approve all auditing service and permitted non-audit services (including the fees and terms thereof) to be performed for the Company by its independent auditor or other registered public accounting firm, subject to the *de minimus* exceptions for non-audit services described in Section 10A(i)(1)(B) of the Securities Exchange Act of 1934, as amended (the "Exchange Act").

The Audit Committee is also appointed by the Board to assist the Board in, among other things:

- (1) monitoring the integrity of the financial statements of the Company;
- (2) requiring that the outside auditor submits on a periodic basis, but at least annually, to the Audit Committee a formal written statement delineating all relationships between the outside auditor and the Company, consistent with Independence Standards Board Standard No. 1 and actively engaging in a dialogue with the outside auditor with respect to any disclosed relationships or services that may impact the objectivity and independence of the outside auditor and for taking, or recommending that the Board of Directors take, appropriate action to oversee the independence of the outside auditor;
- (3) reviewing and assessing the adequacy and appropriateness of this Charter, at least annually;
- (4) making such reports as are required by the Securities and Exchange Commission (the "SEC");
- (5) reviewing and approving all related party transactions; and
- (6) establishing procedures for:
  - (a) the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and
  - (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

The Audit Committee shall have such other responsibilities as are required by the Nasdaq Stock Market and the SEC.

## **Membership Requirements**

The Audit Committee shall consist of at least three Directors, each of whom must:

- (1) meet the definition of “independent” under Nasdaq Rule 4200(a)(15) (subject to the board of directors’ ability to appoint one non-independent director pursuant to certain limited circumstances pursuant to Nasdaq Rule 4350(d)(2)(B));
- (2) meet the criteria for independence set forth in Section 10A(m)(3) of the Exchange Act and Rule 10A-3(b)(1) promulgated thereunder;
- (3) must not have participated in the preparation of the financial statements of the Company or any subsidiary of the Company at any time during the past three years; and
- (4) be able to read and understand financial statements, including a company’s balance sheet, income statement and cash flow statement.

The members of the Audit Committee shall be appointed by the Board on the recommendation of the Governance Committee and shall serve until their successors are appointed and qualified. Committee members may be replaced by the Board. If a Committee Chair is not designated or present, the members of the Committee may designate a Chair by a majority vote of the Committee membership.

At least one member of the Audit Committee must have past employment experience in finance or accounting, requisite professional certification in accounting, or any other comparable experience or background which results in the individual’s financial sophistication, including being or having been a chief executive officer, chief financial officer or other senior officer with financial oversight responsibilities. In addition, at least one member must be an “audit committee financial expert” as defined by SEC Regulation S-K, Item 401(h)(2).

The Audit Committee may form and delegate authority to subcommittees consisting of one or more members of the Audit Committee when appropriate, including the authority to grant pre-approvals of audit and permitted non-audit services, provided that decisions of such subcommittees to grant pre-approvals shall be presented to the full Audit Committee at its next scheduled meeting.

## **Meetings**

The Audit Committee shall meet four times per year or more frequently as circumstances require. The Audit Committee may require any officer or employee of the Company or the Company’s internal or outside counsel or outside auditor to attend a meeting of the Committee or to meet with any members of, or consultants to, the Audit Committee. The Audit Committee shall keep written minutes of its meetings (which may, if needed to protect privilege, be confidential), and make regular reports to the Board. The Audit Committee may not, however, knowingly cause the Company’s counsel to make any disclosure in a manner that would cause a loss of the attorney-client privilege or a waiver of the work product doctrine.

## **Authority**

The Audit Committee shall have the authority necessary to carry out its responsibilities, function, and processes under this charter. The Audit Committee shall also have the authority to engage independent counsel or other advisers, as it determines necessary to carry out its duties.

The Company will provide appropriate funding, as determined by the Audit Committee, in its capacity as a committee of the Board of Directors, for payment of:

- (1) compensation to any registered public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company;
- (2) compensation to any advisers employed by the Committee pursuant to authority granted by this

charter; and

- (3) ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

### **Processes and Functions**

The Audit Committee, in fulfilling its responsibilities and in the exercise of its authority, during each of the periods indicated, shall:

#### **A. Quarterly**

- (1) Discuss with management and the outside auditor the Company's quarterly financial information prior to the release of earnings and filing of its Quarterly Report on Form 10-Q with the SEC, including issues concerning significant adjustments, management judgments and accounting estimates, significant new accounting policies and disagreements with management, as well as the results of the financial statement review completed by the outside auditor.
- (2) Meet periodically with management to review the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures.
- (3) Review with management and the outside auditor changes in the selection, application, and disclosure of the Company's critical accounting policies disclosed in the Company's last Form 10-K.
- (4) Receive periodic reports from the independent auditor regarding the auditor's independence, discuss the reports with the auditor, consider whether the provision of non-audit services is compatible with maintaining the auditor's independence and, if so determined by the Audit Committee, recommend that the Board take appropriate action to satisfy itself of the independence of the auditor.
- (5) Review disclosures made to the Committee by the Company's Chief Executive Officer and Chief Financial Officer during their certification process for the Form 10-K or Form 10-Q about any significant deficiencies in the design or operation of internal controls or material weaknesses therein and any fraud involving management or other employees who have a significant role in the Company's internal controls.

#### **B. Annually**

- (1) Review and discuss the annual audited financial statements with management and the outside auditor, including major issues regarding accounting and auditing principles and practices as well as the adequacy of internal controls that could significantly affect the Company's financial statements.
- (2) Review an analysis prepared by management of significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements, including an analysis of the effect of alternative generally accepted accounting principles methods on the Company's financial statements.
- (3) Review with management and the outside auditor the effect of regulatory and accounting initiatives as well as off-balance sheet structures on the Company's financial statements.
- (4) Review and discuss reports from the outside auditors submitted to the Audit Committee under Section 10A(k) of the Exchange Act, which reports shall include:
  - (a) all critical accounting policies and practices to be used;

- (b) all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management officials of the issuer, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the registered public accounting firm; and
  - (c) other material written communications between the outside auditor and management, such as any management letter or schedule of unadjusted differences.
- (5) Discuss with the outside auditor the matters required to be discussed by Statement on Auditing Standards No. 61, *Communications With Audit Committees*, as amended (“SAS 61”), relating to the conduct of the audit.
- (6) Prepare the Audit Committee Report as required by the rules of the SEC, to be included in the Company’s annual proxy statement, stating whether:
  - (a) the Audit Committee reviewed and discussed the audited financial statements with management;
  - (b) the Audit Committee discussed with the outside auditor the matters required to be discussed by SAS 61;
  - (c) the Audit Committee received the written disclosures and statement from the outside auditor required by Independence Standards Board Standard No. 1, as amended, and has discussed with the outside auditor the outside auditor’s independence; and
  - (d) Based on the review and discussions referred to in paragraphs (a) through (c) above, whether the Audit Committee recommended to the Board of Directors that the audited financial statements be included in the Company’s Annual Report on Form 10-K for the last fiscal year for filing with the SEC.
- (7) Provide the Board with such information and assurances as are reasonably necessary to assure that each member of the Audit Committee is an Independent Director.
- (8) Obtain from the outside auditor disclosures of indications of corporate fraud, illegal acts, related party transactions and/or going concern issues that may have been raised during an audit or review.
- (9) Meet with the outside auditor and management of the Company prior to the conduct of the annual financial statement audit to review the planning and staffing of the audit.
- (10) Obtain reports from management, the Company’s senior internal auditing executive (if any), and the outside auditor, that the Company’s subsidiary/foreign affiliated entities are in conformity with applicable legal requirements and the Company’s Code of Business Conduct, including disclosures of insider and affiliated party transactions.
- (11) Review and discuss with the outside auditor any problems or difficulties the outside auditor may have encountered in the course of the audit. Such review should include:
  - (a) any difficulties encountered in the course of the audit work, including any restrictions on the scope of activities or access to required information and any disagreements with management;
  - (b) any changes required in the planned scope of any audit; and
  - (c) an assessment of the accounting function, including the internal audit department, if one exists, and its and their responsibilities, budget and staffing.

- (12) Review and discuss any management letter provided by the outside auditor, and the Company's response to that letter.
- (13) Establish policies for the Company's hiring of employees or former employees of the outside auditor who participated in any capacity in the audit of the Company.
- (14) Obtain from the outside auditor assurances that Section 10A(b) of the Exchange Act has not been triggered.
- (15) Review and discuss with the Company's inside General Counsel (if applicable) and principal outside Counsel those legal matters that may have a material impact on the financial statements, the Company's compliance policies and any material reports or inquiries received from regulators or governmental agencies.
- (16) Meet at least annually with the chief financial officer, any senior internal auditing executive and the outside auditor in separate executive sessions.
- (17) Review and discuss major changes to the Company's auditing and accounting principles and practices as suggested by the outside auditor, any internal auditors or management.
- (18) Review such other matters in relation to the financial affairs to the Company and its internal and external audits as the Board of Directors or the Audit Committee considers appropriate.
- (19) Review and discuss the experience and qualifications of the senior members of the independent auditor team and the quality control procedures of the independent auditor.
- (20) Review and discuss the appointment and replacement of the senior internal auditing executive.
- (21) Review and discuss the significant reports to management prepared by the internal auditing department and management's responses.

While the Audit Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Audit Committee to determine that the Company's financial statements are complete and accurate and are in accordance with generally accepted accounting principles or to plan or conduct audits. This is the responsibility of management and the independent auditor. Nor is it the duty of the Audit Committee to assure compliance with laws and regulations and the Company's Code of Business Conduct.