

**DST SYSTEMS, INC.**  
**CHARTER OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS**

**I. Committee Purposes**

The Committee's primary purposes are to:

- Assist Board oversight of the integrity of the Company's financial statements and systems of internal controls regarding finance, accounting, and legal compliance.
- Exercise its direct responsibility for the appointment, compensation, and retention of the Company's independent auditor in performing all services for the Company and its subsidiaries and assist Board oversight of such auditor's qualifications, independence, and performance.
- Assist Board oversight of the performance of the Company's internal audit function.
- Assist Board oversight of the Company's compliance with legal and regulatory requirements.
- Prepare the report that the Securities and Exchange Commission rules require be included in the Company's annual proxy statement.

**II. Committee Duties and Responsibilities**

The Committee has duties and responsibilities with respect to the Company's financial disclosures, internal audit function and relationship with independent auditors and with respect to various other matters.

A. Disclosures.

The Committee shall:

1. Discuss the Company's annual audited financial statements with management and the independent auditor prior to filing and distribution, including disclosures under Management's Discussion and Analysis of Financial Condition and Results of Operation, and recommend to the Board whether such statements be included in the Company's Annual Report on Form 10-K.
2. Review such portions of the Company's periodic reports as it deems appropriate to oversee the integrity of the Company's disclosures.
3. Receive and have an opportunity to discuss the Company's quarterly financial statements with management and the independent auditor both prior to filing and at regularly scheduled Committee meetings subsequent to filing, including disclosures under Management's Discussion and Analysis of Financial Condition and Results of Operation.

4. Review in conjunction with management and with the independent auditor:
  - a. All critical accounting policies and practices used in auditing the Company's financial statements and major issues regarding accounting principles and financial statement presentations, including any significant changes in the Company's selection or application of accounting principles.
  - b. Significant financial reporting issues and judgments made in connection with the preparation of the financial statements.
  - c. All alternative treatments of financial information within generally accepted accounting principles ("GAAP") that the independent auditor has discussed with management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditor.
  - d. The effect of regulatory and accounting initiatives and off-balance sheet structures on the Company's financial statements.
  - e. Other material written communications between the independent auditor and management including, but not limited, to any management or internal control letter, any schedule of unadjusted differences, and accounting adjustments proposed or noted by the independent auditor that were passed.
  - f. Certain matters required to be communicated to audit committees in accordance with Statement of Auditing Standards No. 61.
  - g. The integrity of the company's financial reporting processes and controls.
  - h. Major issues as to the adequacy of internal controls and any special audit steps adopted in light of material control deficiencies.
5. Review earnings press releases (either prior or subsequent to the release date and paying particular attention to any use of "pro forma" or "adjusted" non-GAAP information) and, review, in general terms, the types of other financial information and earnings guidance to be provided to analysts and rating agencies, if any.
6. Review and approve Committee reports prior to their publication in any proxy statement or other securities law filings.

B. Company's Internal Audit Function.

The Committee shall:

1. Review the internal audit department's audit plans and significant changes thereto.
2. Consider from time to time the organizational structure, responsibilities, general audit approach, budget, staffing, and qualifications of the internal audit department.
3. Receive reports directly from internal audit.

4. Review the appointment, performance, and, if necessary, replacement of the senior internal audit executive.

C. Company's Relationship with the Independent Auditor.

The Committee is directly responsible for the appointment of the Company's independent auditor in performing all services for the Company and its subsidiaries, subject to shareholder approval requirements of any governing law, document, or standard. The Committee is directly responsible for the compensation, retention and oversight of the independent auditor in performing such services and for evaluation and termination of the independent auditor. In this regard, the Committee shall:

1. Select and retain the independent auditor for the annual audit.
2. Have the sole authority to approve all fees and terms of audit services performed by the Company's independent auditor.
3. Have the sole authority to approve, and adopt permissible procedures for pre-approval of, all fees and terms of audit services other than the annual engagement of the auditor and of all permitted non-audit services performed by the Company's independent auditor, except that certain permitted non-audit services may be performed without pre-approval under certain conditions described in the securities law regulations.
4. Review annually the written disclosures and letter required by Independence Standard Board Statement No. 1 and discuss with the independent auditor all relationships it has with the Company.
5. At least annually obtain and review a report by the independent auditor describing:
  - a. The auditor's internal quality control procedures.
  - b. Any material issues raised by the most recent internal quality-control review, or peer review, of the auditor firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the auditor.
  - c. Any steps taken to deal with any such issues.
  - d. All relationships between the independent auditor and the Company (in order to assess the auditor's independence).

6. Review the independent auditor's report and work throughout the year and annually evaluate (after taking into account the opinions of Company management and internal auditors) the auditor's qualifications, performance and lead partner. In addition to assuring the regular rotation of the lead audit partner and the audit partner responsible for reviewing the audit as required by law, consider whether, in order to assure continuing auditor independence, there should be regular rotation of the independent auditor.
7. Review with the independent auditor annually and from time to time in connection with the disclosure of financial information:
  - a. Any difficulties the auditor encountered in the course of the audit work, including any restrictions on the scope of the independent auditor's activities or on access to the requested information.
  - b. Communications between the independent auditor team and the independent auditor's national office respecting auditing or accounting issues presented by the engagement.
  - c. The auditor's compliance with all legal requirements applicable to the audit, including without limitation requirements as to the scope of the audit, rotation of the audit partner having primary responsibility for the audit and the audit partner responsible for reviewing the audit and prohibitions of per se conflicts of interest.
  - d. Any significant disagreements with management.
  - e. The responsibilities, budget and staffing of the Company's internal audit function.
8. Set the Company's policy for hiring employees or former employees of the independent auditor.

D. Other.

The Committee shall:

1. Discuss policies with respect to risk assessment and risk management including a discussion of:
  - a. Guidelines and policies that govern the process by which the Company's Chief Executive Officer and senior management assess and manage the Company's exposure to risk.
  - b. The Company's major financial risk exposures and the steps Company management has taken to monitor and control such exposures.
2. Review at least annually with the Company's counsel any legal matters that could have a significant impact on the Company's financial statements, the Company's compliance with applicable laws and regulations, and inquiries received from regulators or governmental agencies.
3. Review reports on internal controls over significant operations, systems or procedures, including SAS 70 Reports.
4. Establish or ensure procedures are in place for:

- a. The receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters.
  - b. The confidential, anonymous submission by Company employees of concerns regarding questionable accounting or auditing matters.
5. Receive reports from Company internal and external counsel of evidence of material violations of securities and other laws.
6. Orient new Committee members to its practices and procedures.
7. Perform such other tasks as are assigned to the Committee by the Board, or (unless the Board otherwise directs) are deemed by the Committee to be appropriate to its purposes.

### **III. Annual Evaluation of Committee Performance and Charter**

The Committee shall annually evaluate its own performance and the adequacy of this Charter. The Committee shall submit to the Board the results of its evaluation and any proposed Charter modifications.

### **IV. Committee Member and Chair Qualifications**

- A. Each Committee member shall meet the independence requirements of the applicable laws, regulations, and stock exchange listing standards.
- B. Each Committee member shall be financially literate.
- C. At least one member of the Committee shall have accounting or related financial management expertise.
- D. At least one member of the Committee shall be an Audit Committee Financial Expert as that term is defined in the securities laws and regulations.
- E. If a Committee member simultaneously serves on the audit committees of more than three public companies, the Board must determine that such simultaneous service would not impair the ability of such member to effectively serve on the Committee.
- F. Certain disclosures regarding Audit Committee members shall be made to the New York Stock Exchange and in the Company's annual meeting proxy statement.

**V. Committee Member Appointment and Removal**

- A. Members of the Committee shall be selected as provided in the Company's Bylaws for the term set forth therein.
- B. Committee members may be removed by Board action.

**VI. Committee Structure and Operations**

- A. The Company's Bylaws govern the procedures for establishing number of Committee members, which shall be at least three.
- B. The Company's Bylaws govern the election of the Committee Chair, the scheduling and notice to members of special Committee meetings, the constitution of a quorum for the conduct of Committee business, the member vote necessary for Committee action, and Committee recordkeeping.
- C. The Committee shall meet at least four times annually, or more frequently as circumstances dictate.
- D. The Committee shall meet privately in executive session periodically.
- E. The Committee shall periodically schedule during its meetings a separate session with each of a representative of Company management, a representative of internal audit department, and a representative of the independent auditor to discuss any matters that the Committee or such representative believes should be discussed. Regardless of whether it was scheduled in advance, a separate session shall be held during any Audit Committee meeting at which the Committee or any such representative requests such a session.
- F. The Committee may ask representatives of Company management, directors who are not Committee members, or others to attend meetings and to provide pertinent information as necessary.
- G. The Committee has the authority, as it deems necessary, to delegate its responsibilities to any subcommittee of the Committee, provided such delegation is not precluded by any applicable laws, regulations, or stock exchange listing standards.

**VII. Committee Reporting to the Board**

The Committee shall regularly report to the Board on:

- A. Committee actions (other than routine or administrative actions).
- B. Issues that arise with respect to:
  - 1. The quality and integrity of the Company's financial statements.
  - 2. The Company's compliance with legal or regulatory requirements.

3. The qualifications, performance, and independence of the independent auditor, the evaluation of such auditor's lead partner and the audit partner responsible for reviewing the audit, and conclusions on whether the independent auditor itself should be regularly rotated.
4. The performance of the Company's internal audit function.

#### **VIII. Committee Resources**

The Committee has the authority to:

- A. Conduct any investigation appropriate to fulfilling its responsibilities.
- B. Contact the independent auditor and any Company employee.
- C. Access the Company's books and records.
- D. Retain, at the Company's expense, special legal, accounting, or other advisors it deems necessary in the performance of its duties.
- E. Determine and advise the Company's Chief Financial Officer of the funding the Company must provide for the payment of compensation to the Company's independent auditor, use of external advisors, Committee investigations, and ordinary administrative expenses necessary or appropriate in carrying out Committee duties.

#### **IX. Publication of Charter**

This Charter shall be posted on the Company's website and periodically be included as an appendix to the Company's annual stockholder's meeting proxy statement as required by applicable laws, regulations, or stock exchange listing standards.