

**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, retention and oversight of, and receipt of reports directly from, the Company's independent registered public accounting firm ("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, including without limitation disclosure requirements.
- Prepare the Committee 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 the duties and responsibilities set forth in this Section II with respect to the Company's financial disclosures, internal audit function and relationship with independent auditors and such other duties and responsibilities commensurate with this Charter as the Committee deems advisable.

Although the Committee has the powers and responsibilities delineated in this Section II, the role of the Committee is oversight. The Committee is not responsible for preparing or certifying the Company's financial statements. Committee members are not Company employees and are not performing the functions of auditors or accountants. Furthermore, the Committee's considerations and discussions referred to in this Charter do not assure that the audit of the Company's financial statements has been carried out in accordance with the rules of the Public Company Accounting Oversight Board ("PCAOB"), that the financial statements are presented in accordance with generally accepted accounting principles ("GAAP"), or that the auditor is in fact "independent."

A. Disclosures.

The Committee shall:

1. Meet to review and discuss the Company's annual audited financial statements with management and the independent auditor, 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. Meet to review and discuss with management and the independent auditor the Company's quarterly financial statements 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 or proposed in preparing the Company's financial statements that may have a significant impact on such 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 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 issued or proposed to be issued and any accounting adjustments proposed or noted by the independent auditor on which management passed (as immaterial or otherwise).
  - f. The matters required to be communicated to audit committees in accordance with PCAOB AU 380.
  - 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. Discuss with management 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 which reports shall include summaries of reports to management and management’s responses thereto, as well as the status of remediation efforts of significant findings.
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 independent auditor shall report and be accountable to the Committee. The Committee is directly responsible for the compensation, retention and oversight of the independent auditor in performing such services, for receipt of reports directly from the independent auditor, 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 and discuss with management and the independent auditor the proposed scope, approach, and coordination of the annual audit.

2. Have the sole authority to approve all fees for and the terms of audit services performed by the Company's independent auditor.
3. Adopt policies and procedures for pre-approving the performance of audit services and permitted non-audit services by the Company's independent auditor, except that certain permitted non-audit services may be performed without pre-approval under certain conditions described in securities law regulations and the Committee's pre-approval policies.
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 that may impact its independence.
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, 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 the internal auditor) the auditor's qualifications, performance and lead audit 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 conflicts of interest.
  - d. Any significant disagreements with management.
  - e. The responsibilities, budget and staffing of the Company's internal audit function.
- 8. Resolve disagreements between the independent auditor and management regarding financial reporting.
  - 9. Set the Company's policy for hiring employees or former employees of the independent auditor.

D. Other.

The Committee shall:

- 1. Annually discuss policies with management 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. Evaluation of Committee Performance and Charter**

The Committee shall annually evaluate its own performance and periodically evaluate 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. Required 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 the 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, and minutes shall be kept of Committee meetings.
- D. The Committee shall meet privately in executive session periodically.
- E. The Committee shall periodically schedule during its meetings a separate executive session with each of a representative of Company management, a representative of the 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 executive 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, to meet with consultants or Committee members, 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. Any decisions made by a subcommittee shall be presented to the full Committee at its next scheduled meeting.

## **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 counsel and other 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.