

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

**I. Committee Purposes**

The Committee's primary purposes are to:

- Exercise primary responsibility for the structure, award and public disclosure of all elements of the compensation paid to the Chief Executive Officer ("CEO") and other executive officers.
- Establish executive officer compensation policies and procedures as well as the goals and objectives of executive officer compensation and each element thereof, and consider the effect of executive officer incentive compensation structures on risks taken by the Company.
- Prepare an annual Committee report on compensation for inclusion in the Company's proxy statement, in accordance with applicable rules and regulations.
- Adopt or make recommendations to the Board regarding benefit plans and exercise Committee authority thereunder, including authority to grant equity and other awards.
- Consider and make recommendations to the Board on director compensation.
- Consider compensation policies and practices for all employees, including non-executive officers, if those policies and practices create risks that are reasonably likely to have a material adverse effect on the Company.
- Exercise, in its discretion, the powers granted to it in the Company's Bylaws.

**II. Committee Duties and Responsibilities**

The Committee's duties and responsibilities are:

- A. To prepare and periodically evaluate (and, if deemed appropriate, to modify) written policies and procedures for determining executive and director compensation including the scope and authority of the Committee, the extent to which the Committee may delegate such authority and to whom, and the role of management and compensation consultants in determining or recommending the amount or form of executive and director compensation.
- B. With respect to the CEO, to:

1. Review and approve corporate goals and objectives relevant to each element of CEO compensation.
2. Evaluate, in intervals it deems appropriate, the CEO's performance in light of such goals and objectives and report to the Corporate Governance/Nominating Committee that it has conducted such evaluation.
3. Determine in its sole authority each element of CEO compensation in light of the foregoing evaluation, including determination of the long-term incentive component of such compensation after considering the Company's performance and relative shareholder return, the value of similar incentive awards to CEOs at comparable companies, the awards given to the Company's CEO in past years, and whether incentives are designed to provide meaningful rewards without promoting inappropriate risk-taking.

C. With respect to other executive officers, to:

1. Periodically review the Company's compensation practices in relation to the practices of comparable companies.
2. Periodically review the Company's evaluations of executive officer performance and report to the Corporate Governance/Nominating Committee that it has reviewed such information.
3. Periodically consider whether incentives are designed to provide meaningful rewards without promoting inappropriate risk-taking.
4. Determine the salaries, incentive award opportunity levels, and all other components of each executive officer compensation package (other than benefits available generally to Company employees).
5. Review and approve new executive officer employment agreements and modifications to existing agreements.
6. Review executive officer severance arrangements.
7. Periodically review change-in-control arrangements applicable to executive officers and, if Board approval is required for adoption or modification of an arrangement, make a recommendation to the Board.

D. With respect to compensation policies and practices for all employees, including non-executive officers, to:

1. Periodically determine whether such policies and practices create risks that are reasonably likely to have a material adverse effect on the Company.

2. Consider modifying, or directing the Company, to modify policies and practices that the Committee deems to create such risks.
- E. To make recommendations to the Board with respect to compensation plans, incentive-compensation plans, and equity-based plans that require Board approval to adopt or amend.
  - F. To oversee regulatory compliance with respect to compensation matters, including consulting as necessary with Company management and the Audit Committee on:
    1. The structuring of performance-based award programs taking into account Section 409(A) of the Internal Revenue Code and the exclusion from the deduction limitation of Section 162(m) of the Internal Revenue Code.
    2. Securities registration and shareholder approval requirements for equity-based plans.
  - G. To exercise its administrative authority (including award granting authority) under, and as requested by Company management to interpret the terms of, all health and welfare, retirement, pension, bonus, incentive compensation, deferred compensation or other employee or director benefit or benefit-related plans, trusts, programs or agreements of the Company or any of its subsidiaries.
  - H. To review and make recommendations to the Board with respect to new benefit plan arrangements recommended by Company management for which Board approval is required.
  - I. To periodically review the status of the Company's director compensation practices in relation to (a) director compensation principles in the Company's Bylaws and Corporate Governance Guidelines, and (b) companies determined to be peers of the Company and/or that have boards of directors performing functions similar in scope or complexity to those performed by the Board.
  - J. To make recommendations to the Board with respect to director compensation.
  - K. To review and discuss with management the proposed Compensation Discussion and Analysis section ("CD&A") of the Company's annual meeting proxy statement and, based on such review and discussion, make a recommendation to the Board regarding inclusion of the CD&A in the proxy statement.
  - L. To review or make any determinations regarding compensation risk or other compensation matters necessary for the Company to prepare compensation disclosures in the annual meeting proxy statement.
  - M. To review and discuss the tabular and narrative executive officer and director compensation disclosures in the annual meeting proxy statement, including

whether such disclosures are made in accordance with applicable laws and regulations.

- N. To prepare an annual Committee report on executive compensation for inclusion in the Company's proxy statement, in accordance with applicable rules and regulations.
- O. To periodically consider the effect of executive officer and director compensation on the Company's financial statements.
- P. To orient new Committee members to its practices and procedures.
- Q. To perform such other tasks as are assigned to the Committee by the Board, are required by applicable laws or regulations, 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 Qualifications**

Each member of the Committee shall be:

- A. A "non-employee director" under Rule 16b-3 promulgated under the Securities Exchange Act of 1934, as amended.
- B. An "outside director" under Section 162(m) of the Internal Revenue Code, as amended.
- C. "Independent" under New York Stock Exchange ("NYSE") listing standards.

### **V. Committee Member Appointment and Removal**

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

### **VI. Committee Structure and Operations**

- A. 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. The number of Committee members is determined from time to time by Board resolution.

- B. The Committee shall meet on the day of any regularly scheduled Board meeting, unless there is no business to come before the Committee as of such date, and at such other intervals as determined by the Committee. Minutes shall be kept of Committee meetings.
- C. The Committee may ask representatives of Company management, directors who are not Committee members, internal and external auditors, compensation consultants, counsel, or others to attend meetings, to meet with consultants or Committee members, and to provide pertinent information as necessary.
- D. The Committee has the authority, as it deems necessary, to delegate its responsibilities to any subcommittee, provided such delegation is not precluded by any applicable law, regulation, stock exchange listing standard, or benefit plan. 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 Committee actions and determinations and make such reports to management as are necessary in view of the Company's reporting obligations.

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

The Committee has the sole authority to retain a consulting firm to assist in evaluation of director, CEO or senior executive compensation, approve such firm's fees and other retention terms and terminate the services of such firm. As necessary to accomplish its purposes and fulfill its duties and responsibilities, the Committee may conduct investigations, obtain advice and assistance from Company management and from internal or external legal, accounting or other advisors, and access the Company's books and records.

The Committee shall determine and advise the company's Chief Financial Officer of the funding the Company must provide the Committee for external advisors (including without limitation consulting firms and counsel) 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.