

# **THE TRIZETTO GROUP, INC.**

## **AUDIT COMMITTEE CHARTER**

As Adopted by the Board of Directors on October 20, 2005

### **I. Introduction**

Executive management of The TriZetto Group, Inc. ("TriZetto") is primarily responsible for the completeness and accuracy of TriZetto's financial reporting and the adequacy of its internal financial and operating controls. TriZetto's Board of Directors (the "Board") has responsibility to oversee management's exercise of these responsibilities. To assist the Board, TriZetto has established an Audit Committee (the "Committee"). The authority and responsibilities of the Committee are described in this Charter.

### **II. Purpose**

This Charter broadly defines the Committee's objectives, the range of its authority, the scope of its activities, and its duties and responsibilities. The Committee and the Board shall review and assess the adequacy of this Charter annually.

The purpose of the Committee is to assist the Board in overseeing: (i) the integrity of TriZetto's financial statements as well as systems of internal controls regarding finance, accounting, and legal compliance; (ii) TriZetto's compliance with legal and regulatory requirements; (iii) the qualifications, independence and performance of TriZetto's independent registered public accountants; (iv) TriZetto's financial risk; and (v) TriZetto's internal audit function. In carrying out this purpose, the Committee shall maintain and facilitate free and open communication between the Board, the independent registered public accountants, and the management of TriZetto.

### **III. Membership, Size, Composition and Term of Appointment**

The Committee shall consist of no fewer than three directors, each of whom shall be appointed by the Board, following the recommendation of TriZetto's Nominating and Corporate Governance Committee, and independent as defined by the rules and regulations of The Nasdaq Stock Market, Inc. ("Nasdaq") and the Sarbanes-Oxley Act of 2002 and regulations thereunder (the "Sarbanes-Oxley Act"). Each member shall be financially literate and able to read and understand fundamental financial statements, including TriZetto's balance sheet, income statement and cash flow statement. In addition, at least one member shall be an "audit committee financial expert" and shall have accounting or related financial management expertise as defined by the relevant rules promulgated by the Securities and Exchange Commission (the "SEC") and Nasdaq. The Board shall appoint the Committee's Chairperson and members annually.

### **IV. Duties and Responsibilities**

The Committee shall perform activities required by applicable law, rules or regulations, including the rules of the SEC and Nasdaq, and perform such other activities that are consistent with this Charter, and TriZetto's Bylaws and governing laws, as the Committee or the Board deem necessary or appropriate. Without limiting the foregoing, the Committee's responsibilities are to:

A. Independent Registered Public Accountants

1. Retain an independent registered public accounting firm. The independent registered public accountants are accountable to the Committee, which has the ultimate authority and responsibility to retain, compensate, evaluate and terminate the independent registered public accounting firm.
2. Approve the scope of audit work and review the reports and recommendations of TriZetto's independent registered public accountants, as well as their performance of requested services.
3. Give prior approval of all audit services and any non-audit services (including tax compliance and planning) as required under the Sarbanes-Oxley Act that are performed by the independent registered public accountants for TriZetto at any time (or subsequently approve audit and non-audit services in those circumstances where a subsequent approval is necessary and permissible) and establish policies for obtaining such approval.
4. Discuss with the independent registered public accountants the annual audited financial statements and quarterly financial statements, including TriZetto's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations."
5. Review any reports submitted by the independent registered public accountants, including any report relating to (i) all critical accounting policies and practices used, (ii) all alternative treatments of financial information with generally accepted accounting principles that have been discussed with management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent registered public accountants, and (iii) other material written communications between the independent registered public accountants and management, such as any management letter, schedule of unadjusted differences, and the adequacy of internal controls and procedures.
6. On an annual basis, discuss with the independent registered public accountants the matters required to be discussed by Statement on Auditing Standards No. 61 including: the accountants' responsibilities, difficulties and problems encountered in performing the audit, including any restrictions on the scope of the independent registered public accountants' activities or on access to requested information and management's response.
7. On an annual basis, discuss with the independent registered public accountants the accountants' independence and obtain the letter required by the Independence Standards Board Standard No. 1 confirming the accountants' independence.
8. On an annual basis, review and discuss with the independent registered public accountants a written report describing (i) the independent registered public accounting firm's quality control procedures, (ii) any

material issues raised by the most recent internal quality control review, or peer review, of the independent registered public accountants, or raised by a governmental or professional authority investigation or inquiry within the past five years with respect to independent audits carried out by the independent registered public accountants, along with any steps taken to deal with such issues, and (iii) all relationships between the independent registered public accountants and TriZetto and how those relationships affect the accountants' independence.

B. Management

1. Discuss the following with management:
  - (i) the annual audited financial statements and quarterly financial statements, including TriZetto's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations;"
  - (ii) major issues regarding accounting and auditing principles and practices, including all critical accounting policies;
  - (iii) the adequacy of internal controls and procedures that are used to ensure the accuracy and completeness of TriZetto's financial statements;
  - (iv) the annual and quarterly certifications by the Chief Executive Officer and Chief Financial Officer regarding the accuracy and completeness of TriZetto's financial statements and SEC reports and the adequacy of internal controls and procedures; and
  - (v) TriZetto's press releases with respect to earnings announcements, as well as financial information and earnings guidance provided to analysts and rating agencies.
2. Review and approve all related party transactions for which audit committee approval is required by applicable law or the rules of Nasdaq.
3. Review TriZetto's policies with respect to risk assessment and risk management. Discuss TriZetto's major financial risk exposures and the steps management has taken to monitor and control such exposures.

C. Internal Auditors

1. Assess and approve the appropriate level of personnel and resources necessary to staff an in-house internal audit function and/or to outsource some or all of the internal audit function to a qualified firm.
2. Approve the annual expense budget for an in-house internal audit function and the duties of the chief internal auditor, if any, and/or approve the fees to be paid in connection with the outsourcing of all or a portion of the internal audit function.

3. Approve the annual internal audit plan and receive quarterly updates on the results of internal audit work.
4. Review reports prepared by internal auditors.

D. Other Responsibilities

1. Review any significant findings resulting from any examinations of TriZetto's financial statements by federal regulatory agencies, including the SEC and the Internal Revenue Service.
2. Establish procedures for receiving and responding to complaints and concerns regarding accounting, internal accounting controls, or auditing matters, including confidential, anonymous submission of complaints.
3. Prepare and publish an annual Committee report in TriZetto's annual proxy statement, as required by the rules of the SEC.
4. Report the findings of the Committee to the Board on a regular basis and make such recommendations to the Board as deemed appropriate.
5. Perform such other duties in connection with TriZetto's financial reporting, audit procedures and system of internal control as are requested from time to time by the Board.
6. Set policies for the hiring of employees or former employees of TriZetto's independent registered public accountants.
7. Review and reassess the adequacy of this Charter at least annually, and submit any changes to the Board for approval.
8. On a biennial basis, evaluate the performance of the Committee and report the results of this evaluation to the Nominating and Corporate Governance Committee.

**V. Meetings and Procedures**

The Committee shall meet as often as it deems appropriate or necessary, but no less than quarterly. A majority of the members shall constitute a quorum. The Committee may ask members of management or others to attend the meetings. The Committee Chairperson shall establish an agenda for each meeting after consultation with each Committee member and management. Minutes shall be kept of each Committee meeting and the Committee will report the actions taken at its meetings at the next regularly scheduled Board meeting. The Committee also may act by unanimous written consent.

**VI. Outside Advisors and Counsel**

The Committee is authorized to seek the assistance of and retain the services of any outside legal, accounting or other advisors as the Committee or its Chairperson may deem appropriate, and TriZetto shall pay the fees and expenses of such advisors.