

# **DIRECTORSHIP GUIDELINES AND SELECTION POLICY**

**ADOPTED JANUARY 23, 2004**

**As Amended April 8, 2009**

The Board of Directors (the "Board") of Waddell & Reed Financial, Inc. (the "Company") believes that the Board should be composed of individuals with a variety of business and financial experience and backgrounds who represent the balanced interests of stockholders as a whole rather than special interest groups. In evaluating candidates for nomination, the Board will consider the current size and composition of the Board, the needs of the Company with respect to the particular talents and experience of its directors, and the knowledge, skills and experience already possessed by other members of the Board in light of prevailing business conditions. In addition, it is in the best interest of the Company and its stockholders that the composition of the Board and its committees meet the membership criteria set forth in the rules and regulations of the Securities and Exchange Commission (the "SEC"), as well as the corporate governance listing standards of the New York Stock Exchange (the "NYSE").

The following sets forth the general guidelines and criteria established by the Board regarding candidates for nomination. These guidelines are general in nature and may be modified by the Board or the Nominating and Corporate Governance Committee of the Board (the "Committee") from time to time as the Board or the Committee deems appropriate.

## **DIRECTORSHIP GUIDELINES**

- I. Generally, candidates for director positions should possess:
  - Relevant business and financial expertise and experience, including an understanding of fundamental financial statements;
  - The highest character and integrity and a reputation for working constructively with others;
  - Sufficient time to devote to meetings and consultation on Board matters; and
  - Freedom from conflicts of interest that would interfere with performance as a director.
  
- II. The Committee will consider for recommendation candidates who:
  - Have the capacity and desire to represent the interests of the stockholders as a whole and not primarily a special interest group or constituency;
  - Have diverse backgrounds with respect to business experience, professional expertise and knowledge, individual perspectives, , gender and ethnicity that support Board dynamics and effectiveness;
  - Possess a high level of leadership experience in business activities and are able to exercise sound business judgment;

- Are highly accomplished in their respective field, with superior credentials and recognition;
- Contribute to the mix of skills, core competencies, diversity and qualifications of the Board through notable or significant achievements or expertise in one or more of the following areas: accounting and finance, mergers and acquisitions, investment management, law, financial academia, strategic planning, and executive leadership development;
- Are experienced and skillful in serving as a senior officer of, or a competent overseer and trusted advisor to senior management of, a publicly held company;
- Have a strong reputation, both personal and professional, for high ethical standards, industry, integrity, honesty, candor, fairness and discretion;
- Possess a breadth of knowledge about issues affecting the Company and are knowledgeable, or willing and able to become so quickly, in the critical aspects of the Company's businesses and operations;
- Possess a willingness and ability to (i) devote sufficient time to the affairs of the Company, and (ii) be diligent in fulfilling the responsibilities of a director and Board committee member, including developing and maintaining sufficient knowledge of the Company and its industry; reviewing and analyzing reports and other information important to the Board and committee responsibilities; and preparing for and participating in Board and committee meetings; and
- Are free from any conflict of interest that would violate any applicable law or regulation or interfere with the proper performance of the responsibilities of a director of the Company.

In addition to the general guidelines, the Board or the Committee may identify additional specific criteria a candidate must possess, such as meeting the independence standards required by the NYSE or having the attributes of a financial expert as required by SEC rules and regulations.

### **DIRECTORSHIP SELECTION PROCESS**

1. After assessing and considering prevailing business conditions of the Company, legal and listing standard requirements for Board composition, the size and composition of the current Board and the skills and experience of current Board members, any of the Chairman, the full Board, the Committee or any individual Board member may identify a need to add a Board member meeting specific criteria or to fill a vacancy on the Board.
2. The Committee identifies qualified director nominees through a combination of methods, including persons known to the members of the Committee by reputation or otherwise, referrals from trusted sources, including senior management, existing Board members, stockholders and independent consultants hired for such purpose. The Committee may request that senior management of the Company assist the Committee in identifying and assessing prospective candidates that meet the criteria established by the Board.
3. The Committee determines whether any Board members, senior management or others having business dealings with the Company have relationships with qualified candidates

in order to initiate discussions. Independent advisors may be obtained by the Committee to assist in the process of contacting and initiating discussions with qualified candidates.

4. Qualified candidates who have agreed to be considered for nomination to the Board are presented to the Committee. The Committee evaluates all such potential candidates by reviewing their qualifications, recommendations and other information deemed relevant, including the results of personal interviews, if any.
5. The Board is informed of progress informally.
6. The Committee holds a duly convened meeting to consider and approve the candidates to be presented to the Board.
7. The Committee presents its proposed nominees to the full Board. The Board then considers the candidates and approves candidates for nomination as directors to fill any vacancy or for stockholders to consider and vote upon at the annual meeting, as applicable.