

**WADDELL & REED FINANCIAL, INC.  
COMPENSATION COMMITTEE CHARTER**

**ADOPTED MARCH 11, 2003**

**As Amended July 26, 2017**

**I. COMMITTEE PURPOSE AND ROLE**

The Compensation Committee (the "Committee") of the Board of Directors (the "Board") of Waddell & Reed Financial, Inc. (the "Company") is appointed by the Board to (1) approve and oversee the Company's executive and director compensation policies, objectives and programs, (2) review and approve compensation decisions with respect to the Company's executive officers and directors to help ensure that such persons are fairly compensated based upon their performance and contribution to the Company's growth and profitability, and that such compensation decisions support the Company's objectives and its stockholders' interests, (3) administer and take all other appropriate actions with respect to the Company's incentive compensation and equity-based compensation plans, (4) annually issue a report on executive compensation for inclusion in the Company's annual report or proxy statement pursuant to applicable federal securities rules and regulations, (5) oversee the Company's retirement plans, and (6) fulfill other responsibilities set forth in this Charter and any additional duties that may be assigned to the Committee by the Board from time to time.

**II. COMMITTEE MEMBERSHIP**

The Committee shall be comprised of not less than two nor more than eight members, all of whom must qualify as independent directors under the corporate governance listing standards of the New York Stock Exchange (the "NYSE") (or other exchange on which the Company's capital stock is then traded) the Securities Exchange Act of 1934, as amended (the "Exchange Act"), including Rule 10C-1(b)(1) thereof, and the other rules and regulations of the Securities and Exchange Commission (the "SEC") and otherwise be free of any relationship that may interfere with the exercise of their independence and judgment. In addition, Committee members shall qualify as "non-employee directors" for purposes of Rule 16b-3 of the Exchange Act, and as "outside directors" for purposes of Section 162(m) of the Internal Revenue Code, as amended.

The members of the Committee shall be appointed annually by the Board, after considering the recommendation of the Company's Nominating and Corporate Governance Committee. The Chairman of the Committee shall be appointed by the Chairman of the Board. The members of the Committee will serve until their resignation, retirement, removal by the Board or until their successors are duly appointed and qualified. No member of the Committee may be removed except by majority vote of the directors then in office, and no reduction in the number of members constituting the full Committee shall have the effect of reducing the term of any incumbent member.

### **III. COMMITTEE MEETINGS**

The Committee shall meet at least two times annually, or more frequently as circumstances dictate. In addition, the Chairman of the Board or any Committee member may call a special meeting of the Committee. The greater of two or 1/3 of the members of the Committee shall constitute a quorum.

At least annually, the Committee shall report on meetings thereof to the Board, including a description of all actions taken by the Committee at such meetings. The Committee shall keep written minutes of its meetings and such minutes shall be maintained with the books and records of the Company.

### **IV. COMMITTEE AUTHORITY AND RESPONSIBILITIES**

The Committee shall have the power to perform the following:

#### **Review and Approve Executive and Director Compensation Policies, Objectives and Programs**

1. In consultation with the Board, the Chief Executive Officer of the Company (the "CEO") and other Company management, review and approve the Company's executive and director compensation policies, objectives and programs. The Committee will establish and periodically review and update:
  - (a) An appropriate peer group of companies, with the participation of a compensation consultant, for the purpose of comparing compensation levels and practices; and
  - (b) Corporate goals, objectives and other key measures for assessing executive performance, as the Committee deems appropriate.

#### **Review and Approve CEO Compensation**

2. Annually review and approve, with participation of Company management, corporate goals, objectives and other key performance measures relevant to the compensation of the CEO, evaluate the CEO's performance in light of those established measures, and determine and approve the CEO's compensation based on such evaluation, including, but not limited to, (a) the annual base salary level, (b) the annual cash incentive opportunity level, (c) the long-term incentive opportunity level, including equity-based compensation, (d) employment agreements, severance arrangements, change in control agreements/provisions, and any other contracts relating to the CEO's compensation, in each case as, when and if appropriate, and (e) any special or supplemental benefits. In determining the long-term incentive component of CEO compensation, if any, the Committee may consider the Company's performance and relative stockholder return, the value of similar incentive awards to Chief Executive Officers at comparable companies, and the awards given to the CEO in past years.

3. Annually review publicly available data for the investment management and financial services industry to assess the competitiveness of the CEO's base salary, annual cash incentives and long-term incentives.

#### Review and Approve Other Executive Officer Compensation

4. Annually review and approve, with participation of the CEO and other Company management, corporate goals, objectives and other key performance measures relevant to the compensation of the Company's senior executive officers who participate in the Company's 2003 Executive Incentive Plan, as amended and restated (the "Senior Executive Officers"), and evaluate such officers' performance in light of those established measures.
5. Annually review and approve, with participation of the CEO and other Company management, the compensation of all Section 16 officers of the Company (within the meaning of Section 16 of the Exchange Act), including the Senior Executive Officers. The Section 16 officers' compensation includes, but is not limited to, (a) the annual base salary level, (b) the annual cash incentive opportunity level, (c) the long-term incentive opportunity level, including equity-based compensation, (e) employment agreements, severance arrangements, change in control agreements/provisions, and any other contracts relating to such Section 16 officers' compensation, in each case as, when and if appropriate, and (e) any special or supplemental benefits.
6. Annually review publicly available data for the investment management and financial services industry to assess the competitiveness of the Senior Executive Officers' annual base salaries, annual cash incentives and long-term incentives.

#### Review the Company's Incentive Compensation and Other Equity-Based Compensation Plans

7. Review, adopt, amend and take all other administrative actions related to the Company's incentive compensation and other equity-based compensation plans, including, but not limited to, (a) approving option and restricted stock guidelines and general size of overall awards, (b) approving awards, (c) interpreting the plans, (d) determining rules and regulations relating to the plans, (e) modifying or canceling existing awards, (f) designating employees eligible to participate in the plans, (g) appointing and reviewing the performance of one or more administrators for the plans, and (h) imposing limitations, restrictions and conditions upon awards.
8. Monitor awards made under the Company's incentive compensation and other equity-based compensation plans for compliance with any restrictions placed thereon by the plans, the Committee, the Board or any laws, rules or regulations.

#### Review Director Compensation

9. Annually review the recommendations made by the Chairman of the Board regarding compensation of the Company's outside directors, and approve such compensation.
10. Periodically review publicly available data for the investment management and financial services industry to assess the competitiveness of the directors' compensation.

#### Report on Executive Compensation

11. Annually provide the discussion and analysis to be included in the Compensation Discussion and Analysis (the "CD&A") required by federal securities rules and regulations for inclusion in the Company's annual report or proxy statement.
12. Annually review and discuss with Company management the CD&A, and based on such review and discussion, determine whether to recommend to the Board that the CD&A be included in the Company's annual report or proxy statement.
13. Annually issue and sign a report on executive compensation as required by federal securities rules and regulations for inclusion in the Company's annual report or proxy statement.

#### Oversee the Company's Retirement Plans

14. Appoint and remove members of the administrative and investment committees for the Company's retirement plans, as applicable.
15. Provide oversight to the administrative and investment committees for the Company's retirement plans and perform such other duties that the Board or the Committee may have with respect to the Company's retirement plans.

#### Other Committee Responsibilities and Clarification of Role

16. Certify the attainment of performance goals pursuant to Section 162(m) of the Internal Revenue Code, as required.
17. Fulfill any other responsibilities that may be assigned to the Committee by the Board from time to time.
18. Nothing in this Charter will, or will be deemed to, decrease or modify in any manner adverse to any member of the Committee, such member's right to rely on statements and certifications made by the Company's officers, employees, agents, counsel, experts and auditors.
19. Nothing in this Charter will, or will be deemed to, adversely affect in any manner the rights of members of the Committee to indemnification and advancement of

expenses under the Certificate of Incorporation or Bylaws of the Company or under any contract, agreement, arrangement or understanding benefiting such member.

20. Notwithstanding any other provision of this Charter, no provision of this Charter will, except to the extent required by applicable law, rule or regulation, be construed to create any duty or obligation on the part of the Committee or any of its members or to increase their liability.

#### Appoint Subcommittees

21. Appoint subcommittees for any purpose that the Committee deems appropriate and delegate to such subcommittees such power and authority as the Committee deems appropriate. Notwithstanding the foregoing, (a) no subcommittee shall consist of fewer than two members, and (b) the Committee shall not delegate to a subcommittee any power or authority required by any law, regulation or listing standard to be exercised by the Committee as a whole.

### **V. PERFORMANCE EVALUATION**

The Committee shall conduct a self-evaluation of its performance annually and evaluate whether this Charter appropriately addresses the matters that are or should be within its scope.

In conducting its self-evaluation, the Committee may address all matters that it considers relevant to its performance, including, but not limited to, the following:

1. The adequacy, appropriateness and quality of the information and recommendations presented by Company management to the Committee and by the Committee to the Board.
2. The manner in which such information and recommendations were discussed or debated.
3. Whether the number and length of meetings of the Committee were adequate for the Committee to complete its work in a thorough and thoughtful manner.

The Committee shall report to the Board the results of any self-evaluation, including any recommended amendments to this Charter.

### **VI. INVESTIGATIONS AND STUDIES**

The Committee may conduct and authorize investigations into or studies of matters within the scope of the Committee's authority and responsibilities.

## **VII. COMPENSATION ADVISERS**

The Committee may, in its sole discretion, retain or obtain the advice of a compensation consultant, independent legal counsel or other adviser (each, a "Compensation Adviser") after considering all factors relevant to the Compensation Adviser's independence, including the factors prescribed by the applicable NYSE listing standards. The Committee shall be directly responsible for the appointment, compensation, termination and oversight of the work of any Compensation Adviser retained by the Committee. The Company must provide appropriate funding, as determined by the Committee, for payment of reasonable compensation to a Compensation Adviser retained by the Committee.