

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

**As Amended through October 31, 2019**

**I. COMMITTEE PURPOSE AND ROLE**

The Audit Committee (the "Committee") of the Board of Directors (the "Board") of Waddell & Reed Financial, Inc. (the "Company") is appointed by the Board and assists the Board in fulfilling its oversight responsibility relating to (1) the integrity of the financial reporting process, systems of internal controls, and the financial statements and reports of the Company, (2) the performance of the Company's internal audit function, (3) the independent auditor's qualifications, independence, and performance, and (4) the Company's compliance with legal and regulatory requirements. The Committee is directly responsible for (1) the appointment, compensation, retention and oversight of the Company's independent auditors (the "Outside Auditors") for the purposes of auditing the Company's consolidated financial statements and internal control over financial reporting, preparing and issuing an audit report and performing other audit, review, attest or related services for the Company, (2) annually issuing a report for inclusion in the Company's annual proxy statement pursuant to applicable federal securities rules and regulations, and (3) fulfilling 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.

All of the requirements of this Audit Committee Charter (the "Charter") are qualified by the understanding that the role of the Committee is to act in an oversight capacity and is not to imply or require a detailed review of the work performed by the Outside Auditors or the Company's management. The Committee should expect that (1) management of the Company and the Outside Auditors have the responsibility to plan and conduct financial audits and to determine that the Company's financial statements and disclosures are complete, accurate and in accordance with generally accepted accounting principles ("GAAP") and applicable rules and regulations, and (2) management of the Company has the responsibility to ensure the Company's compliance with applicable legal and regulatory requirements.

**II. COMMITTEE MEMBERSHIP**

The Committee shall be comprised of not less than three nor more than eight directors as determined from time to time by the Board, after considering the recommendation of the Company's Nominating and Corporate Governance Committee. The members of the Committee shall be annually appointed by the Board, after considering the recommendation of the Company's Nominating and Corporate Governance Committee. The Chairman of the Committee (the "Chairman") shall be appointed by the full Board. If a Chairman is not elected by the Board or is not present at a particular meeting, the members of the Committee may designate a Chairman by majority vote of the

Committee membership in attendance. The members of the Committee will serve until the next annual election of members of the Committee by the Board or 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.

The Board must determine that each of the members of the Committee meets the independence requirements 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 Section 10A(m)(3) thereof, and the 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. The Board must determine that each member of the Committee is financially literate, or receive assurances that the member will become financially literate within a reasonable period of time after his or her appointment to the Committee. In addition, the Board must determine whether at least one member of the Committee has the attributes of an audit committee financial expert, as defined by the SEC. If required by the NYSE or the rules and regulations of the SEC, the Company shall include appropriate disclosures in its periodic reports filed pursuant to Sections 13(a) and 15(d) of the Exchange Act regarding the independence and financial expertise of its Committee members. Committee members may not simultaneously serve on the audit committee of more than two other public companies without the approval of the full Board.

### **III. COMMITTEE MEETINGS**

The Committee shall meet at least quarterly, 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.

The Committee may request any officer, employee, advisor or independent auditor of the Company to attend a meeting of the Committee. The Committee shall regularly report on meetings thereof to the Board, including a description of its reviews, investigations and all other 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.

The Committee shall meet (1) with management and the Outside Auditors in separate executive sessions, including in advance of the filing of each Form 10-K, or more often in the discretion of the Committee, (2) with management and the Outside Auditors in advance of the filing of each Form 10-Q, and (3) with the internal auditors of the Company (the "Internal Auditors") in executive session at least semi-annually, or more often in the discretion of the Committee, to discuss matters for which the Committee has responsibility.

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

The Committee shall have the power to perform the following:

##### Financial Statements and Disclosure Matters

1. Review and discuss the annual and quarterly financial statements, including disclosures made in Management's Discussion and Analysis of Financial Condition and Results of Operations, with management and the Outside Auditors, and in the discretion of the Committee, the Internal Auditors, prior to the annual and quarterly financial statements being filed in the Company's Form 10-K and Form 10-Q, as applicable. In connection with these reviews, the Committee must:
  - (a) Review and discuss with the Outside Auditors (i) all critical accounting policies and practices to be used, (ii) all alternative treatments of financial information within GAAP that have been discussed with management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the Outside Auditors, (iii) the internal controls adhered to by the Company, management and the financial, accounting and internal auditing personnel of the Company and the impact of each on the quality and reliability of the Company's financial reporting, and (iv) other material written communications between the Outside Auditors and management, such as any management letter or schedule of unadjusted differences.
  - (b) Review and discuss with management and the Outside Auditors, and in the discretion of the Committee, the Internal Auditors, (i) significant accounting principles and financial statement presentations, including any significant changes in the Company's selection or application of accounting principles, (ii) significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements, including the effect of alternative GAAP methods on the financial statements, (iii) the development, selection and disclosure of critical accounting estimates and the analyses of alternative assumptions or estimates, and the effect of such estimates on the Company's financial statements, (iv) the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the financial statements of the Company, (v) any "pro forma" or "adjusted" non-GAAP information contained in the Company's periodic reports, (vi) the effect of significant litigation, contingencies and claims against the Company on the Company's financial statements, and (vii) audit problems or difficulties and management's response thereto.

2. Review and discuss with management the Company's earnings press releases, including the use, if any, of "pro forma" or "adjusted" non-GAAP information, as well as financial information and earnings guidance provided to analysts and rating agencies, if any. Such discussion may be done generally (consisting of discussing the types of information to be disclosed and the types of presentations to be made).
3. Review and discuss with management the Company's major risk exposures and the steps management has taken to monitor and control such exposures, including the Company's risk assessment and risk management policies.
4. Review and discuss with management (a) the internal controls adhered to by the Company, management and the financial, accounting and internal auditing personnel of the Company and the impact of each on the quality and reliability of the Company's financial reporting, (b) significant deficiencies on the design and operation of internal controls or material weaknesses therein, and (c) any fraud, whether material or not, involving management or other employees who have a significant role in the Company's internal controls.
5. Discuss with the Outside Auditors the matters required to be discussed by standards adopted by the Public Company Accounting Oversight Board (the "PCAOB") or other applicable accounting standards or regulations, including without limitation, (a) the Outside Auditors' responsibility under the auditing and related professional practice standards established by the PCAOB, (b) the Company's significant accounting policies, (c) accounting estimates, assumptions and judgments used in preparing the Company's financial statements, (d) significant audit adjustments discovered, and (e) disagreements with management encountered in the course of the audit.

#### Oversight of the Company's Internal Audit Department and Legal Compliance

6. Approve the internal audit department's charter, resource plan, and risk-based internal audit plan.
7. Review and discuss with the Chief Audit Executive, and as appropriate, management, plans (including, risk-based internal audit plan and resource plan), activities, performance relative to plans, organizational structure, and qualifications of the internal audit department, any resource or scope limitations, and any significant risk exposures or control issues.
8. Approve decisions regarding the appointment and removal of the Chief Audit Executive and discuss the performance of the Chief Audit Executive with management.
9. Review and discuss with management, the Outside Auditors and the Internal Auditors to obtain information concerning (a) the internal audits performed

during the year and the results thereof, including assessments of the Company's risk management processes and system of internal controls, (b) the Company's significant accounting principles, financial reporting policies and internal controls of the Company and any changes therein, (c) any deficiencies in the Company's internal controls and any special audit steps adopted in light of material control deficiencies, and (d) the competency of the Company's financial, accounting and internal auditing personnel.

10. Review and discuss significant reports, including reports on corrective actions, prepared by the internal audit department together with management's response thereto.
11. Evaluate the internal auditing department and its impact on the financial reporting process, systems of internal controls, and financial statements and reports of the Company.
12. Review and discuss with the Company's legal counsel any (a) legal, compliance or regulatory matters that could have a material impact on the Company's business, financial statements or compliance with applicable laws or internal governance policies, and (b) material correspondence between the Company and regulators or governmental agencies.

#### Oversight of the Outside Auditors

13. Appoint, terminate and compensate the Outside Auditors. The Committee shall also periodically consider rotation of the Outside Auditors to assure continuing auditor independence. The Committee is also responsible for approving, evaluating, retaining, and overseeing the work of the Outside Auditors (including the Audit Plan) and resolving any disagreements between management and the Outside Auditors regarding the Company's financial reporting process, internal controls and financial statements. The Outside Auditors shall report directly to the Committee.
14. Pre-approve all audit services and permitted non-audit services (including the terms and fees thereof) to be performed for the Company or its subsidiaries by the Outside Auditors, subject to the de minimis exceptions for permitted non-audit services described in Section 10A(i)(1)(B) of the Exchange Act, and establish policies and procedures with respect to such pre-approvals. The Chairman shall have the power and authority to pre-approve all audit services and permitted non-audit services (including the terms and fees thereof), provided that any approval by the Chairman shall be presented to the full Committee at its next scheduled meeting.
15. Review the experience, qualifications, performance and independence of the Outside Auditors' team, including the lead audit partner and other senior members of the team.

16. Obtain and review a report from the Outside Auditors at least annually regarding (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 firm, 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 firm, and any steps taken to deal with any such issues, and (c) all relationships between the Outside Auditors and the Company, including the written disclosures and the letter required by applicable requirements of the PCAOB regarding the Outside Auditor's communications with the Committee concerning independence. The Committee shall evaluate the qualifications, performance and independence of the Outside Auditors, including considering whether the auditors' quality controls are adequate and the provision of permitted non-audit services is compatible with maintaining the auditors' independence. In making this evaluation, the Committee should take into account the opinions of management and the Internal Auditors. The Committee shall present its conclusions to the Board.
17. Oversee the rotation of the lead audit partner, the concurring review partner, the client service partner and other "line" partners directly involved in the performance of the audit, review or attest services of the Company as required by applicable law. The Committee may require the Outside Auditors to stagger the rotation of these partners to ensure that the engagement team continues to have appropriate expertise to all the audit engagement to be conducted in accordance with PCAOB auditing and related professional practice standards.
18. Recommend and oversee the Company's policies for hiring employees or former employees of the Outside Auditors who have participated in any capacity in an audit of the Company.
19. Discuss, if necessary or appropriate, with the national office of the Outside Auditors issues on which the Company's audit team consulted them and matters of audit quality and consistency.
20. Discuss with management and the Outside Auditors, and in the discretion of the Committee, the Internal Auditors, any accounting adjustments that were noted or proposed by the Outside Auditors, but were passed (as immaterial or otherwise).
21. Discuss with the Outside Auditors any audit problems or difficulties the Outside Auditors encountered in the course of the audit work, including any restrictions on the scope of the Outside Auditors' activities or on access to requested information, any significant disagreements with management and management's response to such audit problems or difficulties or disagreements.
22. Discuss with the Outside Auditors any "management" or "internal control" letters issued, or proposed to be issued, to the Company by the Outside Auditors.

23. Discuss with the Outside Auditors the responsibilities, performance and staffing of the Company's internal audit function.
24. Obtain from the Outside Auditors any information required to be disclosed to the Company under the PCAOB auditing and related professional practice standards in connection with the conduct of an audit.
25. Obtain from the Outside Auditors the reports required to be furnished to the Committee under Section 10A of the Exchange Act and any information with respect to illegal acts in accordance with Section 10A.
26. Require the Outside Auditors to review the financial information included in the Company's Form 10-Q in accordance with Rule 10-01(d) of Regulation S-X prior to the Company filing such reports with the SEC. If the Company states in its Form 10-Q that the interim financial statements have been reviewed by the Outside Auditors, the Committee must obtain the Outside Auditors' report as required by Rule 10-01(d).

#### Other Committee Responsibilities and Clarification of Role

27. Oversee the integrity of the audit process, financial reporting process, internal accounting controls and financial statements of the Company, and the work of management, the Internal Auditors and the Outside Auditors in these areas, as applicable. The Committee shall provide an open avenue of communication between management, the Internal Auditors, the Outside Auditors and the Board.
28. Annually issue and sign the Committee report as required by federal securities rules and regulations for inclusion in the Company's proxy statement.
29. Review periodically the Company's Whistleblower Policy and procedures for (a) the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, auditing matters or federal securities laws and (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters, and monitor compliance with such policies and procedures.
30. Review periodically the Company's Code of Business Conduct and Ethics and monitor compliance with the code.
31. Pursuant to the Company's Whistleblower Policy and Corporate Code of Business Conduct and Ethics, oversee the receipt, investigation, resolution and retention of all complaints submitted under such policies.
32. Pursuant to the Corporate Code of Business Conduct and Ethics, review and pre-

approve all "related-person transactions" (as defined in SEC regulations) and periodically reassess any related-person transaction entered into by the Company to ensure its continued appropriateness. Ensure such transactions are communicated as may be required to the Outside Auditor and are publicly reported in accordance with SEC rules.

33. Review management's report regarding the internal controls and procedures for financial reporting of the Company as required by the rules and regulations of the SEC.
34. Perform any other activities consistent with this Charter, the Company's Bylaws, and governing laws and regulations as the Committee or the Board deems necessary or appropriate.
35. Review with the Board any issues that arise with respect to the quality or integrity of the Company's financial statements, the Company's compliance with legal or regulatory requirements, the performance and independence of the Outside Auditors, and the performance of the Company's internal audit department.
36. Fulfill any other responsibilities that may be assigned to the Committee by the Board from time to time.
37. 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.
38. 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.
39. 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

40. 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; CHARTER REVIEW**

The Committee shall conduct a self-evaluation of its performance annually and report to the Board the results of such self-evaluation. Further, the Committee shall periodically evaluate whether this Charter appropriately addresses the matters that are or should be within its scope and report to the Board the results of such Charter review, including any recommended amendments to this Charter.

**VI. INVESTIGATIONS AND STUDIES; OUTSIDE ADVISORS**

The Committee may conduct and authorize investigations into or studies of matters within the scope of the Committee's authority and responsibilities, and has direct access to the Outside Auditors and the Internal Auditors, as well as anyone else in the Company.

The Committee shall have sole authority to retain or terminate any legal, accounting or other outside advisors as the Committee may deem appropriate in its sole discretion. The Committee shall have the sole authority to approve related fees and retention terms, and the Company shall provide for appropriate funding, as determined by the Committee, for payment of (1) compensation to the Outside Auditors for the purpose of rendering or issuing an audit report or related work or performing other audit, review, or attest services for the Company, (2) compensation to any advisors employed by the Committee, and (3) ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.