

# WADDELL & REED FAQs

4/28/2021

*If you have a specific question (e.g., a question about parental leave, LPL policies or medical benefits for a member of your family) not covered in the FAQ located on the LPL Microsite, please reach out to [HRSC@LPL.com](mailto:HRSC@LPL.com). We'll get you the answers within two business days.*

## Jobs, Descriptions, Salary, and Logistics

### 1) **NEW** When will I receive my first paycheck from LPL?

- On May 14, you'll receive two paychecks: one paycheck from LPL that covers your hours worked May 1-8, and one paycheck from Waddell & Reed that covers your hours worked April 25-30. Beginning May 28, you'll receive a paycheck from LPL for each pay period moving forward.

### 2) When will I receive a job description?

- For the transition period, beginning with the close of the acquisition until we wind down the broker-dealer, we don't expect the job responsibilities for roles supporting the operation of the Waddell & Reed broker-dealer to change. The focus for most roles will be to operate as-is, without any significant changes to job duties.

Once the conversion is completed, if you join LPL in an ongoing opportunity, we'll discuss your transition into a similar role within LPL Financial at that time.

### 3) When can we expect details on salary?

- For employees joining LPL on either a transitional or ongoing basis, your base pay and any applicable discretionary incentives will remain the same for 2021.

### 4) When do I transition to being an LPL employee?

- For employees who are joining LPL in a transitional capacity or for a full-time, ongoing employment with LPL Financial, your pay and benefits with Waddell & Reed will run through the date of close. Your pay and benefits as an LPL employee will begin the day after close.

### 5) Will I be able to discuss with LPL other potential positions outside of what I'm offered?

- Yes; we encourage employees joining LPL to continue to review open positions.

A key focus for us will be to continue to support Waddell & Reed advisors and the broker-dealer for a period of time after the close of the acquisition until the transition is complete. As a result, we anticipate that most roles will be needed to support winding down the broker-dealer which we expect to occur sometime in Q3. Employees joining LPL to support the transition will be able to review open roles for possible, full-time, ongoing opportunities post-transition.

### 6) When will we start to receive training on LPL systems, policies, etc.?

- We anticipate you'll start to receive training on LPL systems, policies, and/or practices in the coming months. Training will be available once you join LPL, after the close of the acquisition.

- 7) Can we have an org chart or list of LPL departments and roles so we can better understand where our skills and experience could fit?**
- We will provide more information about LPL and our structure in the coming weeks and months, including information about the different business units and the work they do.
- 8) Should we contact the LPL HR talent acquisition person dedicated to Waddell & Reed to let them know our skills and interests? Or do I just apply for a job I am interested in and that person will reach out?**
- We encourage you to review current opportunities at LPL by visiting our microsite: [www.lpl.com/about-Us/careers/waddell-and-reed-careers.html](http://www.lpl.com/about-Us/careers/waddell-and-reed-careers.html). If you identify a position you're interested in, please email [LPLFinancial.Hiring@lpl.com](mailto:LPLFinancial.Hiring@lpl.com), provide the title of the position, and attach your resume. We'll follow up with you in 1-2 business days.
- 9) If we find an LPL open position we're interested in, but it has a specific location listed, can we assume that it is also available as a remote position? Or can that be negotiated?**
- Although many positions are location-specific, if there is an open position you're interested in, please reach out to LPL Talent Acquisition for assistance, so they can share more about the role and whether remote work is available.
- 10) Looks like LPL uses Workday as well – will our credentials stay the same or will we have to re-enroll?**
- LPL will assign you credentials so you can access Workday as an LPL employee. When you join LPL, you'll be able to access your Workday account easily, through single sign-on. As a result, employees logged into the LPL network can access their Workday accounts without having to enter their passwords.
- 11) Does LPL offer different employment types such as full-time, part-time, etc.?**
- Nearly all roles at LPL are classified as full-time, and whether a role can be considered for part-time work is dependent on the needs of the business.
- 12) What happens to our equipment at close?**
- The new LPL employees will continue to utilize their Waddell & Reed equipment through the transition timeline. At some time near the transition to LPL, Desktop support we will be supplying LPL owned assets. In addition, we are working through the logistics on the disposition of the Waddell & Reed assets.
- 13) What systems will we be using?**
- During the period from the close of the acquisition to the broker dealer conversion, you'll use two systems. The Waddell & Reed systems to support advisors until we move them onto LPL platforms, and LPL systems to interact with LPL.
- 14) Is there a map of the various Remote regions, I can search for job opportunities?**
- Please visit the [Waddell & Reed at LPL careers site](http://Waddell & Reed at LPL careers site), and enter the site by clicking on the "EXPLORE LPL CAREERS" button. You'll then be taken to the landing page, and in the beige menu bar toward the top of the page, click on the "Search Jobs" link. From there, scroll down the page, until a blue box appears on the left, where you can filter your results. Click on "Remote" to get a listing of all of the remote regions. You can then select which (or all) remote regions to get a list of the open positions in those regions. At the same time, if you are interested in a particular job and are not sure it is or could be remote, please reach out the talent acquisition email [LPLFinancial.Hiring@lpl.com](mailto:LPLFinancial.Hiring@lpl.com).

**15) Can I find more information about the various LPL positions without going through the entire interview process?**

- There's information about each open position listed on the careers site. If you have questions about a particular position, email [LPLFinancial.Hiring@lpl.com](mailto:LPLFinancial.Hiring@lpl.com), along with the job requisition number, and a member of the Talent Acquisition will respond to you as quickly as possible.

**16) If we're offered a job after the conversion is completed around July 2022 and it requires us to relocate, would I lose severance if I turn it down?**

- If you decline an offer of employment from LPL on or prior to the conversion date, for employment to begin immediately following the conversion, then you would not be eligible for severance under the Severance Plan. Please note, that if the role requires relocation, LPL would first engage with you to understand whether you are interested in or able to relocate before extending an offer. LPL's intent is to find positions that are a match for both you and LPL.

**17) As someone helping until the end of the transition, if I'm not offered full-time employment, when should I explore job opportunities at LPL?**

- Open positions will be regularly posted to the LPL careers portal, and we encourage you to periodically check the job site. We recommend you begin searching the LPL careers portal for open positions sometime in May, June or July, as there is a greater likelihood the open positions at that time will be available for placement sometime in Q3, when the transition has ended. If you have questions about a particular position, email [LPLFinancial.Hiring@lpl.com](mailto:LPLFinancial.Hiring@lpl.com), along with the job requisition number, and a member of the Talent Acquisition will respond to you as quickly as possible.

**18) When will I get more information on what specifically my job title is and what I will get paid?**

- LPL does not plan to change the job titles or compensations of employees who join and stay through the transition. For those Waddell & Reed employees who receive ongoing employment opportunities, your compensation and job title will remain the same through the first year following the close of the acquisition.

**19) In the communication we received from LPL, it stated compensation would remain the same. Does that mean LPL is honoring the merit increases we will be receiving in March?**

- Your salary with LPL beginning on May 1, will be your Waddell and Reed salary as of April 30, and is inclusive of any merit increase you receive in March.

**20) I've heard that we won't receive detailed job description information until we officially join LPL, but I'd like to have more information to make a decision, could I get that?**

- At LPL, similar to Macquarie, we do not have detailed job descriptions for our roles. While there are aspects to a job that remain the same or similar over time, job duties are subject to change as business needs and operating conditions change. We encourage you to speak with your manager to understand the expectations for your role after the close of the acquisition.

**21) Once we receive our offer letter, how will we let LPL know whether we accept the position?**

- As a result of the acquisition, all Waddell & Reed employees will become employees of LPL in connection with the close unless the employee has been notified that their employment is ending on the date of close and there is therefore no need for you to

formally accept employment. For Waddell & Reed employees who received offer letters, we look forward to having you join LPL. However, if you decide to resign rather than join LPL after the close, please contact your manager so you can provide the appropriate notification. If you voluntarily leave LPL, you would not be eligible for severance.

**22) Even if I'm offered a position at LPL, am I able to apply for another one?**

- Yes, employees are encouraged to review open positions on the LPL careers site. Please keep in mind that if you have been offered a transitional role to support the wind-down of the Waddell & Reed broker-dealer, you won't be able to move into another role at LPL until the transition is complete, which is anticipated to occur sometime in Q3 this year.

**23) Who do I call about jobs at LPL?**

- Information about each open position is listed on the careers site. If you have questions about a particular position, email [LPLFinancial.Hiring@lpl.com](mailto:LPLFinancial.Hiring@lpl.com), along with the job requisition number, and a member of the Talent Acquisition will respond to you as quickly as possible.

We encourage you to review current opportunities at LPL by visiting [the microsite](#). If you identify a position you're interested in, please email [LPLFinancial.Hiring@lpl.com](mailto:LPLFinancial.Hiring@lpl.com), provide the title of the position, and attach your resume. We'll follow up with you in 1-2 business days.

**24) As a part of the transition, will we be asked to return to work in the office?**

- At LPL, our COVID-19 response has always been guided by two principles: protect the safety and wellbeing of our LPL family, and continue to operate the business.

Based on these principles, we are currently operating as a primarily virtual workforce and do not have plans to bring groups of employees back into our offices at this time. We will continue to monitor the COVID-19 environment—as well as your feedback—and use the data to evaluate this decision every month. We will update you if there is any change to our current plan. If we do decide to bring groups of employees back into our offices, we will provide at least a month notice. In this way, we can remain nimble and flexible for you, and for the business.

## Benefits and Incentives

**25) When will I be presented with LPL's benefit package?**

- We have scheduled a number of benefits sessions where employees will have an opportunity to learn more about LPL benefits and to ask questions. Sessions are planned for: March 9, 11, 15, 17, and 24. Look for more information on how to join a session on the microsite.

**26) What are some of the benefits included in LPL's plan?**

- LPL offers a comprehensive choice of benefits, some of which are similar to what you're used to and others that are different. A benefit unique to LPL is the health advocacy/navigation services available to our employees through Alight Health Pro. This is a helpful service employees can use to save time and help access medical care, resolve any challenges you're experiencing with your care, and more. Additional benefits include Second Medical Opinion Service, Adoption Assistance Benefit, Home & Auto Insurance, Pet Insurance, and Healthcare Advocate. Outside the medical arena, we

have an Employee Stock Purchase Plan which enables employees to purchase LPL stock at a 15% discount.

**27) When will we be presented the new health insurance options?**

- Employees joining LPL will have the opportunity to enroll in benefits during the onboarding process, which we will initiate closer to the acquisition close date. However, before then, there will be several opportunities to get more information about our benefits, and ask the benefits team any questions you may have.

**28) Will I be able to put my spouse on Aetna's plan like I have been able to with Cigna?**

- Under LPL's health insurance plans (medical, prescription, dental, vision), employees regularly scheduled to work 30 or more hours per week are eligible to participate in LPL's benefits program. Employees that enroll can sign up for coverage of eligible dependents. Eligible dependents include:
  - Spouse or domestic partner (same or opposite gender)
  - Your child(ren) and your covered spouse's or domestic partner's child(ren), up to age 26
  - Unmarried children of any age if they depend on you for support due to a physical or mental disability that commenced before the limiting age
- LPL does not have a spousal surcharge attached to our medical plans.

**29) Is the 15% retention bonus only available to severed employees? Or does that also apply if we become LPL employees?**

- The 15% severance bonus is only available to employees who are joining LPL in a transitional role and who are not placed in an ongoing role with LPL prior to their transition role no longer being needed. To receive the bonus, the individual must enter into a severance agreement with LPL. This severance bonus is in addition to the severance package provided for under the Change of Control Severance Plan.

**30) What does short-term and long-term incentive mean?**

- If you're currently eligible for a short-term incentive, such as an annual bonus, or long-term incentives, such as an annual equity grant, through Waddell & Reed, you'll continue to be eligible to receive similar types of incentive compensation when you join LPL.

**31) Will we receive LPL stock for long-term incentive?**

- Waddell & Reed employees in roles that are currently eligible for long-term incentive who remain employed with LPL at the time we grant long-term incentives, will be eligible for consideration.

**32) Will the 2021 short-term and long-term incentives be prorated?**

- Employees who join LPL and whose employment terminates (other than for cause (as defined in the Change in Control Severance Plan)) in 2021 or in 2022 before short-term and long-term incentive compensation is paid, are eligible to receive full or pro-rated (based on the separation date) short-term and long-term incentive compensation as a component of the severance package for which employees are eligible. For clarity, no proration would apply to employees whose employment ended in 2022.

Employees who join LPL as part of the acquisition in an ongoing role will have the opportunity to receive non-prorated (full-year) incentive awards from LPL in 2022, for the 2021 performance period, if actively employed at the time awards are made.

**33) When will we know more about FSA coverage (including dependent care FSA)?**

- Participants in the Waddell & Reed health and dependent care FSA plans who will be transitioning to LPL will receive an email communication within the next week that addresses several frequently asked FSA questions. Information on the LPL FSA will be available during the benefit enrollment process.

**34) Does LPL offer a tuition reimbursement program?**

- Yes, we do. LPL's tuition reimbursement program was established to assist employees with the cost of courses that are job related. In general, courses must be related to the employee's current position or prepare them for a more advanced position within the company.

**35) Are the optional life insurance benefits under the Waddell & Reed plan portable to the LPL plan?**

- Once you join LPL you will have the opportunity to enroll in optional term life insurance. You will also have the opportunity to bring your voluntary life insurance coverage over to the LPL optional life insurance plan up to the LPL benefit limit of \$650,000 without providing evidence of insurability for plan year 2021.

**36) Will Waddell & Reed's optional voluntary benefits be available at LPL or is there a list of voluntary benefits at LPL that can be shared with employees?**

- Employees joining LPL will be eligible for LPL benefits, including the optional voluntary benefits such as: Accident Insurance & Critical Illness, Second Medical Opinion Service, Adoption Assistance Benefit, Home & Auto Insurance, Pet Insurance, Healthcare Advocate, Legal Plan, and ID Theft coverage. More detail will be provided by the benefits team over the coming weeks and months.

**37) How will it work for employees with an HSA / FSA?**

- The Health Savings Account is personally owned. You may keep your existing HSA account and use the balance for eligible expenses; or, if you join LPL and enroll in an eligible medical plan, you will be eligible to participate in LPL's HSA program and will have the option to roll over your current HSA balance into your LPL HSA. For employees interested in funding Flexible Spending Accounts, you will be able to participate in LPL plan. Current FSA participants moving to LPL should refer to the separate FSA FAQ sent via email from [HumanResourcesDepartment@waddell.com](mailto:HumanResourcesDepartment@waddell.com) on February 19.

**38) What holidays does LPL observe? I'm assuming there will be no changes in the holiday schedule going forward from April 30, but I just wanted to validate that.**

- The LPL Financial 2021 Holiday Schedule includes:
- New Year's Day (1/1),
- Martin Luther King's Birthday (1/18),
- Presidents' Day (2/15),
- Good Friday (4/2),
- Memorial Day (5/31),
- Independence Day (7/5),
- Labor Day (9/6),
- Thanksgiving Day (11/25),
- Christmas Day (12/24),
- Your birthday (to be taken as a full-day, within 10 business days before or after your birthday, with manager approval).



At this time, we don't anticipate any changes to the holiday schedule.

**39) What if I have a specific benefit related question that's unique to my situation?**

- Any questions about specific employee benefit situations not addressed in the FAQ should be emailed to [HRSC@LPL.com](mailto:HRSC@LPL.com). We'll review and respond to your question via email. Questions that are not benefit related will be forwarded to the appropriate person for follow-up and response. If you prefer to have a phone conversation due to the personal nature of your question, you may also request a phone call when you email the HRSC.

**40) I have an HSA; what will happen with that benefit and how will I keep finding it?**

- The Health Savings Account is personally owned. You may keep your existing HSA account and use the balance for eligible expenses; or, if you join LPL and enroll in an eligible medical plan, you will be eligible to participate in LPL's HSA program and will have the option to roll over your current HSA balance into your LPL HSA. For employees interested in funding Flexible Spending Accounts, you will be able to participate in the LPL plan. Current FSA participants moving to LPL should refer to the separate FSA FAQ sent via email from [HumanResourcesDepartment@waddell.com](mailto:HumanResourcesDepartment@waddell.com) on February 19.

**41) Who is your pet insurance through?**

- LPL offers employees the option to obtain wellness insurance for their pets through PetFirst, a division of MetLife.

**42) Who is your HSA through?**

- The LPL HSA provider is PayFlex through Aetna. On a full year basis, LPL currently contributes \$500 for individual coverage and \$1,000 for family coverage. This contribution is prorated for employees who enroll during the year, so it's \$19.23 per paycheck and \$38.46 per paycheck, respectively.

**43) When will a benefits package be delivered so I can read it?**

- Our benefits package is currently available to you online at [mylplbenefits.com](http://mylplbenefits.com). This site has all our benefits as well as tools and resources available and help you to make informed benefits decisions. The day after close, expected to be May 1, you should be able to access ADP Pay and Benefits and enroll in LPL benefits. You will receive more information about benefits enrollment starting the last two weeks in April.

**44) Does LPL make an employer contribution to the HSA?**

- Yes; LPL contributes \$500 for individual employees and \$1,000 for families on an annualized basis.

**45) How does the stock purchase plan work?**

- The employee stock purchase plan has been established as a benefit that enables you to build an ownership stake in our company. The plan is made available to the majority of our employees, and because eligibility is determined by salary, most SVPs and above are not eligible for this reward. Participation in the ESPP allows you to
  - Purchase company shares at a 15% discount and with no commission fees
  - Contribute through convenient payroll deductions
  - Create a long-term investment vehicle

You may contribute a minimum of \$15 and a maximum of \$300 per pay period. Your contributions are made after income and other taxes have been withheld from your pay.

Similar to our benefits plan, eligible employees can elect to participate in the ESPP only during open-enrollment windows, which are noted below. You may increase or decrease your contribution amount as many times as you wish during the enrollment period.

Enrollment Period	Offering Period	Last Day to Make Changes	Purchase Date
April 30-May 8, 2021	May 9-July 31, 2021	July 22, 2021	August 6, 2021
July 30-August 14, 2021	August 15-November 6, 2021	October 28, 2021	November 12, 2021
October 29-November 6, 2021	November 7, 2021-January 29, 2022	January 20, 2022	February 4, 2022

Once enrollment closes, you may decrease, stop, or cancel (but not increase) your contributions. No changes can be made 15 days prior to the purchase date. To learn more, click the quick links to the right.

## 401(k) Information

### 46) What is LPL's 401(k) Plan, who is it with, and do they match?

- The LPL Financial LLC Profit Sharing 401(k) Plan is a way to help you build an income for retirement. We utilize Empower as our 401(k) provider. The plan allows employees to defer a portion of their current eligible compensation for their retirement on a tax-deferred basis (up to IRS limits, determined annually). The plan also includes a Roth 401(k) feature that allows employees to defer a portion of their current eligible compensation for their retirement on an after-tax basis (up to IRS limits, determined annually).

New employees are automatically enrolled in the plan at a pretax contribution rate of 3% of pay, unless the employee chooses a different contribution or chooses not to contribute. The plan provides a company matching contribution for employees that have completed six months of service, and Company matching contributions are allocated on a per pay period basis at a rate of 75 cents per \$1.00 of employee contribution, with the match available on the first 8% of eligible wages. The match is subject to a three-year vesting period. For company matching contribution eligibility and vesting, Waddell & Reed employees who join LPL as part of the acquisition will receive credit for employment with Waddell & Reed based on their continuous service ("seniority") date.

### 47) What happens to an employee's 401(k) plan with Waddell & Reed when he/she transfers to LPL?

- In general, an employee could roll a current 401(k) plan balance over into the LPL 401(k) or another qualified plan, leave the balance in the current plan (subject to certain limitations), or take a distribution (which may result in taxes and penalties). Refer to the Summary Plan Description of the Waddell & Reed Financial, Inc. 401(k) Plan for additional information on distribution of benefits.

### 48) Do you have to be in the LPL 401(k) plan to benefit from the 75% match?

- Yes; the 401(k) match is only available to employees enrolled in the plan.

### 49) Are our years of service counted toward 401(k) vesting?

- Yes; your years of service with Waddell & Reed will transfer and be recognized by LPL's 401(k) for vesting purposes.



## Time Off and Sick Days

### 50) **NEW** Will I lose my accrued vacation and sick time with Waddell & Reed?

- Hourly (non-exempt) employees will have their existing vacation and sick time balances as of April 30 combined and then loaded into their PTO plan in Workday.

### 51) **NEW** Is my service with Waddell & Reed recognized with respect to accruing PTO?

- Regular full-time and regular part-time, non-exempt employees accrue PTO based on years of continuous service. Waddell & Reed employees will have their continuous service dates and original hire date reflected in your Workday profile summary page. These dates will drive your accrual rate for PTO.

### 52) Are there an allotted number of sick days? If so how many?

- LPL has a PTO (Paid Time Off) accrual program for non-exempt employees, and an RTO (Routine Time Off) non-accrual program for exempt employees. Regular status non-exempt employees accrue PTO based on the years of continuous service. Both PTO and RTO may be used for vacation, sick leave (including paid sick leave under applicable state and local laws), or time-off for other personal reasons. Employees needing time-off due to illness may take up to 5 consecutive days off under our PTO or RTO programs; those needing additional time-off may apply for a medical leave and may be eligible for additional pay benefits referenced in our leave of absence and benefit policies. More information about these benefits will be provided in the coming weeks. Waddell & Reed employees who join LPL as part of the acquisition will receive credit for employment with Waddell & Reed based on their continuous service (“seniority”) date.

### 53) If an employee is asked to stay with LPL past close, how will vacation time work?

- LPL offers Paid Time-Off (PTO) accrual for non-exempt employees and a flexible time-off (non-accrual) Routine Time-Off (RTO) program for exempt employees. With respect to taking time-off, we ask that the employee request and coordinate the time needed with their immediate manager. Once employees are on LPL systems, they’ll have the ability to request and/or note any time-off taken through our Workday system.

### 54) What about any vacation or sick time an employee has with Waddell & Reed? Will that transfer?

- For non-exempt employees joining LPL, your sick and vacation time will roll over into the PTO buckets at LPL. For exempt employees joining LPL, we’re working on a solution to address the transfer of any unused vacation and/or sick time balances over to LPL. We’ll share more in the coming weeks as we have more clarity.

### 55) How will leaves of absence be handled during and after the close date?

- If you anticipate the need to begin a leave of absence prior to the close date, call Cigna Leave Solutions at 888.84.Cigna (888.842.4462) to initiate your leave request as soon as possible.

If you expect to request a leave of absence that will begin after the close date, LPL will manage the leave request process. Additional information about leaves and other benefits will be available on the LPL microsite. For employees transitioning to LPL, Cigna Leave Solutions is unable to provide assistance on leaves that will commence after the close date.

If you have an approved leave of absence that begins prior to the close date and continues after the close date, Waddell & Reed and LPL will work together to coordinate the transition of your leave.

**56) What will happen to the accrued vacation or sick time an employee has with Waddell & Reed? Will that transfer to LPL?**

- For the majority of non-exempt employees, unused vacation and sick time will be rolled into a single PTO bucket at LPL in connection with the close. In some cases, applicable state or local law requires that sick time and PTO be separated, in which case, the non-exempt employee will continue to have a sick-time allotment consistent with applicable law and accrued unused vacation will be rolled into the LPL PTO bucket at close. Non-exempt employees who join LPL will begin accruing PTO based on years of continuous service (taking into account service with Waddell & Reed), subject to LPL's PTO accrual caps, which can be used for vacation, sick leave, or time off for other personal reasons.

Exempt employees are eligible for sick leave under LPL's Sick Leave Policy for exempt employees. Unless required by state or local laws, exempt employees will be front-loaded paid sick leave when they join LPL and thereafter every January 1. Accordingly, unless otherwise required by applicable law, exempt employees' sick leave at Waddell & Reed will not be transferred to LPL.

Furthermore, exempt employees are eligible to participate in LPL's Routine Time Off (RTO) policy, a non-accrual program where employees may take time off on a paid basis as needed, subject to the RTO policy.

Employees needing time-off due to illness may take up to 5 consecutive days off under our PTO or RTO (or Paid Sick Leave – exempt employees) programs; those needing additional time-off must apply for a medical leave and may be eligible for additional pay benefits referenced in our leave of absence and benefit policies.

## **Severance, Termination, and COBRA**

**57) For employees kept on through the transition and have an anniversary during that time period, is that additional year included in their severance calculation or is the calculation based on years of service as of the close date?**

- Under the Change of Control Severance Plan, severance calculations are based on Years of Service and position held immediately prior to the Change of Control. That plan defines Years of Service as the number of completed years from your most recent hire date to your termination date. If you remain employed with LPL after the close date and reach the anniversary of your most recent hire date before you experience a qualifying termination, your severance calculation will reflect another Year of Service.

**58) If employees are separated and accept the severance, are they eligible to seek employment with LPL at a later date and keep their severance?**

- Yes, even if you are separated and received severance, you're still eligible for rehire and may keep any severance you received.

**59) If an employee is offered ongoing, regular employment with LPL, or is asked to stay with LPL through the transition, but would prefer to decline, are they still eligible for severance?**

- The short answer is no. LPL will offer severance to those employees who stay with LPL to help support winding down the broker-dealer, but who do not receive an offer of

ongoing employment after the transition. In addition, LPL has agreed that, for a period of 12 months following the closing of the Acquisition, or through the date LPL Financial determines the integration of Waddell & Reed is completed, if later, employees of Waddell & Reed who join the LPL Financial family in connection with the Acquisition will be eligible for severance under the Waddell & Reed Financial, Inc. Change of Control Severance Plan (the Plan). Employees who decline or resign employment with LPL are not eligible for severance.

Taking a step back, we believe LPL is a great place to work, and we want the opportunity to meet with you and tell you about ongoing opportunities with the firm. Our plan over the next several months is to share with you more about us, what it's like to work here, and what we offer in terms of pay, benefits, professional opportunity, and development.

**60) Can you walk us through COBRA and how it works for an employee who is offered severance?**

- At a high-level, COBRA provides separated employees the opportunity to continue health coverage for themselves and eligible dependents, for a certain period of time, at the coverage levels the employee had at the time their employment ended.

Employees who execute severance agreements will be eligible to receive subsidized COBRA for the period of time provided under the Severance Plan. To continue coverage, employees will be responsible for enrolling in COBRA and paying their portion of the health insurance premium, and the company will subsidize the employer's portion of the total premium and the COBRA administrative fee. With few exceptions, COBRA coverage is available for a maximum of 18 months following termination; the period of subsidized coverage will count toward that maximum.

For employees not retained after the close date, COBRA coverage will be available under the Waddell & Reed health plans and will be administered by The Taben Group, Waddell & Reed's COBRA administrator. For employees who join LPL, enroll in LPL's health benefits, and subsequently experience a qualifying termination, COBRA coverage will be provided under the LPL health plans and administered by TRI-AD, LPL's COBRA administrator.

**61) If I apply for a job with LPL and am offered the position, but turn it down for the reason that it does not meet my salary requirement, am I still eligible for severance?**

- Per our agreement with Waddell and Reed and Macquarie, LPL has agreed to honor current base pay and aggregate discretionary pay components for 12 months following the acquisition. If you were to apply for a position, our hope would be to offer a compensation package that is comparable to or better than your current compensation package. If you are in a transitional role and happen to get an offer lower than your current compensation, within the 12 month period following the acquisition, you would still be eligible for severance when your transition role ends.

**Tenure**

**62) Will our Waddell & Reed tenure carry over if we become employees of LPL?**

- LPL will honor the Waddell & Reed continuous service ("seniority") date for benefit eligibility purposes for employees who join LPL as part of the acquisition. For purposes of determining severance pay under the Severance Plan, "Years of Service" are defined as the period from most recent hire date to termination date.

## Kansas City

### 63) What can you tell us about LPL's plan to open a Service and Operations Center in the Kansas City area?

- We don't have additional details to share at this time, other than we are excited about opening another LPL office location in the Kansas City area. Our principle that we shared recently with our own employees is that we want to create a personalized approach to the workplace with multiple options regarding where you work and how you work going forward.

Our vision is to empower employees to determine the optimal amount of time they work virtually to be at their best. Balancing virtual work with the opportunity for regular, in-office connections will maximize our efficiency as a company, strengthen the LPL community, and provide flexibility for employees.

We will share more details about the Kansas City-area office when we have them.

### 64) If a Waddell & Reed employee is asked to remain with LPL after the close in an ongoing role, or applies for a job, is there any chance they would have to relocate or could they stay in Kansas City?

- For employees whom LPL slotted into transitional or ongoing role, after the deal closes, during the transition and thereafter, Waddell & Reed employees will work remotely or from our Kansas City-area office location. With regard to an employee who applies for an open LPL role, the decision on where to locate that role is something we leave to our hiring managers to determine based on their business needs.

## Miscellaneous

### 65) **NEW** Some admins manage several calendars. They're able to set meetings and easily add a WebEx from each of their outlook accounts. For example, if I'm setting a meeting for John Smith, I can add a WebEx to the meeting, but the WebEx is under John's account and I have privileges to set up the WebEx and add a resource. Will we be able to do this once we're part of LPL?

- Yes; LPL has the same capability in Webex/Outlook.

### 66) Can LPL disclose which brokerage firms they permit advisors/licensed individuals to hold personal accounts with?

- LPL Financial associated persons are permitted to maintain personal securities accounts or holdings at LPL Financial or an LPL approved broker-dealer. The following are approved broker-dealers:
  - LPL Financial
  - Charles Schwab
  - E\*TRADE
  - Fidelity
  - Interactive Brokers
  - Merrill Lynch
  - TD Ameritrade
  - Vanguard
  - Wells Fargo