I. Mission and Purpose

Elected by the stockholders of FactSet Research Systems Inc., the board of directors is mandated to oversee management and act as stewards of the stockholders’ long-term interests in the corporation. The mission of the board is to provide guidance to the senior officers of the corporation in their management of the business in order to promote its success and enhance its ultimate value. The board must actively make a good faith effort to be informed and to exercise appropriate judgment in matters before it. In assessing management’s methods of optimizing stockholder value, the board must also take into consideration other interested parties, including employees, clients and vendors, as well as compliance with applicable law. The directors should also serve as a sounding board for management in matters where a director’s experience or expertise is pertinent.

II. Board Composition

A. Size and Selection Process

The board is classified with the terms of office of each of the three classes of directors ending in successive years of three-year terms, as provided in the corporation’s certificate of incorporation. Nominations to the board are made by the Nominating and Corporate Governance Committee and may be made by stockholders as provided in the corporation’s Director Nominee Selection Policy. The board determines the number of directors, in accordance with the Corporation’s By-laws, which require between three and fifteen directors. In recent history, the Corporation has had about nine directors, a number that the board believes is effective. Vacancies on the board will be filled by new directors. At the discretion of the board, emeritus directors may be permitted to attend meetings although they are not empowered to vote.

B. Membership Criteria

1. Experience and Personal Qualifications

The board seeks to include directors with diverse and solid experience in areas relevant to the corporation’s business. The corporation’s directors and candidates for director must demonstrate strength of character,
independent thought, sound judgment, integrity, professionalism, leadership, meaningful business accomplishments and business knowledge, and English proficiency. In addition, the corporation’s directors must be committed to representing the long-term interests of the corporation’s stockholders. In evaluating candidates for nomination as a director, the Nominating and Corporate Governance Committee and the board will consider the minimum qualifications set forth above in addition to other factors it deems appropriate based on the current needs and desires of the board, including specific business and financial expertise currently desired on the board, experience as a director of a public company, geography, age, gender and ethnic diversity.

C. Independent Directors

1. Criteria for Independence

The board will be comprised of a majority of independent directors. The definition of “independent” will be based on the New York Stock Exchange’s and NASDAQ’s rules as of the date of these Guidelines. The board will make a determination that a director is independent at the beginning of the director’s first term in accordance with the stated definitions and this determination will be reviewed annually for all directors.

2. Meetings of Independent Directors

Independent directors will have at least one regularly scheduled meeting each fiscal year without insider directors present. In addition, the independent directors will meet in executive session at the end of each regularly scheduled meeting of the board. The Chairman of the Nominating and Corporate Governance Committee will be the presiding director and will normally also serve as the lead independent director. The independent directors may meet at such other times as the lead independent determines. The independent directors may invite non-management directors, management or both to participate at any meeting.

D. Management Directors

1. Leadership

The board does not have a policy requiring the separation of the roles of chairman of the board and chief executive officer. The board believes that the interests of the stockholders are well served by a board chairman who has intimate familiarity with the day to day management of the corporation.
2. Change of Responsibility

Any director who changes his principal occupation or business association should notify the board and offer his resignation to be effective at the end of his term or immediately. The board may determine, after receiving the recommendation of the Nominating and Corporate Governance Committee, to reject the offer of resignation.

III. Director’s Responsibilities

A. Attendance, Participation, Preparedness

Directors owe a duty of care to the corporation. They must act on an informed basis, in good faith and in the honest belief that the action they take is in the best interests of the corporation.

Directors are expected to attend all board meetings and participate actively, offering their candid views and their well-informed, deliberate judgment. Directors should inform themselves using all material information reasonably available to them prior to making a business decision with regard to the corporation. There is no place for fraud, bad faith, or self-dealing in any director’s relationship with the corporation.

Whenever a director is unable to attend a meeting, he should contact the Chairman, Secretary or Assistant Secretary promptly after the meeting to become informed on the subjects discussed, views expressed and actions taken, if any. The director should also provide the Secretary with the reason for the director’s absence.

Directors should have a full working understanding of the corporation’s business and the issues relevant to it. Directors are expected to be prepared to discuss matters listed on the agenda for each meeting. Directors, acting through the lead independent director, will also propose matters to be included on the agenda. They should review materials sent in advance of the meetings and, when appropriate, ask questions of management in advance of the meeting.

B. Time Commitments

A director is expected to give freely and generously of his or her time in providing the best guidance to the corporation. A director who is also a manager of the corporation may not sit on more than one other board of a public company. A director who is a member of senior management of another public company may not sit on a total of more than three public
company boards. All other directors may not serve on more than four boards of public companies without the prior written approval of the board. Each independent director is expected to participate in committees suited to his skills and for the best interest of the corporation. Each independent director will be expected to participate in at least two committees, as necessary, to serve the needs of the corporation. Directors are also expected to make themselves available for non-regularly scheduled meetings as well as consultation with management on an as-needed basis. Named executive officers will obtain the permission of the Nominating and Corporate Governance Committee prior to joining the board of a “for profit” public or private company.

Directors should familiarize themselves beyond their orientation with the structure and focus of the corporation’s business. On a regular basis they should access the corporation’s services and review new product developments. Directors are encouraged to attend continuing director education programs on an as needed basis.

IV. Management Responsibilities

A. Informing the Board

Senior management will use its best efforts to keep the board well informed of developments at the corporation and the issues facing it through the regularly scheduled board meetings. Whenever significant issues arise between regularly scheduled meetings, management will inform the board as appropriate.

Management will prepare an agenda in advance of each board meeting along with relevant background material to enable informed discussion at each upcoming meeting. Items not on the agenda may be discussed at the discretion of the chairman of the board. As necessary, management will prepare material in advance of committee meetings to ensure effective meetings. Matters may be discussed at various meetings although no advance material has been prepared. Management will deliver materials to the board well enough in advance of each meeting to allow sufficient time for the directors properly to review the materials.

B. Director Access to Officers, Employees and Advisors

Members of management are expected to make themselves available to directors to answer questions and provide information whenever requested. The board is empowered to employ outside advisors and resources at the corporation’s expense in discharging the board’s responsibilities.
V. Committees

A. General

The committees of the board are the Audit Committee, the Compensation and Talent Committee and the Nominating and Corporate Governance Committee. Each committee will have a charter setting forth the basic elements of its responsibilities and activities. The following items summarize the salient points of each committee’s purpose and function. All committees are empowered, as necessary, to seek the assistance of management or to employ outside advisors and resources at the corporation’s expense in discharging the committees’ responsibilities. Each committee will develop and follow its own charter that has been approved by the board, which will include details on the responsibilities listed here. Each committee shall evaluate its own effectiveness at least once a year and the suitability of its charter on a regular basis. Each member of the audit, compensation and nominating and corporate governance committees will be independent as defined in the applicable listing standards, laws and regulations. The board may establish additional committees as it determines.

B. Nominating and Corporate Governance Committee

1. Recruitment

The Nominating and Corporate Governance is charged with identifying individuals who may be nominated to the board. This committee will interview and investigate the candidates and make recommendations to the board as a whole. Once a new director joins the board, this committee will supervise the new director’s orientation with appropriate materials about and visits to the corporation. The committee will also assist the board in determining committee assignments for the board’s members during their terms. The committee will further identify appropriate educational programs directors may wish to attend.

2. Ethics

This committee will oversee the board’s efforts to maintain high standards of corporate governance. The committee will review and recommend the adoption of these guidelines and any subsequent changes to them to the board as a whole periodically. The committee will review a code of conduct and ethics for the board and the corporation. The committee will review and adopt any statements of policy necessary from the board.
Additionally, the committee will review any ethical questions that may arise out of a director’s activities or proposed activities.

3. Lead Independent Director

As stated above, the chairman of the Nominating and Corporate Governance Committee will serve as lead independent director. The lead independent director will schedule at least one meeting of independent directors and without management per year; the independent directors will meet in executive sessions throughout the year at the end of regularly scheduled board meetings.

4. Term Limits and Retirement Policy

The board does not currently believe that term limits are in the best interest of the corporation. Rather, the Nominating and Corporate Governance Committee will evaluate the appropriateness of re-nominating directors as their terms approach expiration. This committee will reassess the qualifications of a director, including the director’s past contributions to the board and the director’s attendance and contributions at board and committee meetings, prior to recommending a director for reelection to another term.

5. Evaluation of Board Function

Under the committee’s guidance, each director will evaluate his performance as a director over the course of the fiscal year. The committee will also assist the board as a whole in reviewing its effectiveness over the preceding fiscal year. The committee will assess the overall quality of the material provided to the board and the presentations made to the board at least once in each year. The board and the committees may use questionnaires to aid in these types of evaluations.

6. Succession Planning

As appropriate, the committee will assist in succession planning for senior management of the corporation, including the chief executive officer. The committee will review succession plans for the CEO position and will report on this subject to the board. In addition, the CEO will propose to the committee an emergency succession plan to provide for one or more individuals to fulfill the CEO’s responsibilities on an interim basis in the event that the CEO is disabled or otherwise incapacitated, which such committee will review and, as appropriate, recommend to the board for its approval.
C. Audit Committee

1. Oversight

The Audit Committee is charged with assisting the board in its review of the financial information generated by management, outside auditors and the internal audit function (whether internal or outsourced) and risk oversight. The Committee will have at least three independent director members, at least one of which will be a “financial expert” as required by Section 407 of the Sarbanes Oxley Act and Item 401(h) of Regulation S-K.

2. Management of Audit Relationship

The Audit Committee is charged with managing the relationship with the corporation’s outside auditors. The Audit Committee may choose to develop and follow a set of procedures in dealing with that relationship.

3. Requirements and Charter

The Audit Committee will adhere to the policy requirements of the New York Stock Exchange and the NASDAQ. These requirements and any others instituted by the board or the SEC will be included in the committee’s charter. The committee will follow the mandate of its charter.

4. Complaints

The Audit Committee is responsible for addressing complaints regarding the corporation. The Audit Committee will work with the General Counsel and the Chief Financial Officer of the corporation in determining the appropriate response to any complaint. The committee may also seek the assistance of outside advisors in investigating a complaint as appropriate.

5. Auditor Rotation

The Audit Committee will develop and adhere to a policy on auditor rotation.

D. Compensation and Talent Committee

1. Membership and duties

The Compensation and Talent Committee will be comprised of at least two outside directors. The Compensation and Talent Committee will meet
at least once a year to review and approve the compensation of management and the issuance of equity awards under the corporation’s various stock plans. The committee will assist the board in its review of the performance of senior management. The committee will also assist the board in determining appropriate director compensation. The committee may also be called upon by the board to review other compensation-related issues as necessary.

VI. Conduct Specific to Board Members

A. Ethics

The board is expected to adhere to the corporation’s code of conduct and ethics and other policies that by their nature would apply to the Board. Any breach of this code by a director will be addressed at a meeting of the Nominating and Corporate Governance Committee, which may choose to refer the issue to the board as a whole, depending on the nature of the breach. A director should promptly disclose to the board any potential or actual conflict of interest involving him or her. The board will determine an appropriate resolution on a case-by-case basis. All directors must excuse themselves from any discussion or decision affecting their personal, business or professional interests.

B. Confidentiality

Board members are expected to maintain appropriate confidentiality regarding matters discussed in board and committee meetings. Management will act as spokespersons of the corporation and the board may direct outside questions about the corporation to management for response.

VII. Compensation

The board will determine the form and amount of non-employee director compensation based on recommendations from the Compensation and Talent Committee. It is the general policy of the board that board compensation should be a mix of cash and equity-based compensation. Employee directors will not be paid for board membership in addition to their regular employee compensation. Independent directors may not receive consulting, advisory or other compensatory fees from the corporation in addition to their board compensation, including committees. Each non-employee director is entitled to one FactSet password at no charge. The password provides access to the FactSet system to use and to assist directors in understanding FactSet’s suite of products and services.
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