

NACFF™

National Association of
Certified Financial Fiduciaries



Certified Financial Fiduciary® Program Policies and Procedures

November 2023

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1. Glossary / Definitions

Applicant: An individual seeking certification who is in the process of having his or her eligibility reviewed by NACFF.

Candidate: An individual approved by NACFF to take the certification exam, including individuals who have taken the exam and 1) not received his or her score yet and 2) have failed the exam and are required to retake it.

Certificant: A person who holds the Certified Financial Fiduciary® credential awarded by NACFF.

Certification: A voluntary process run by a non-governmental agency that recognizes achievement and maintenance of knowledge and skill by an individual.

Civil Proceeding: A civil action, including, but not limited to a lawsuit, arbitration or mediation, related to professional or business conduct.

Client: A person, persons or related entities with whom the financial services professional has a formal provider-client relationship.

Content Domains: The general subjects that represent curriculum, content, work experience and expertise in delivering services as a financial fiduciary.

Disciplinary Proceeding: A governmental, self-regulatory or professional body inquiry, investigation or action.

Education: A formal learning period that is structured and provided by qualified academic institutions delivered in person, remotely or in a self-study format.

Ethics and Fitness: The part of the NACFF certification process where Applicants provide appropriate disclosures and agree to be bound by the ethical standards while they are certified.

Exam Form: The version of an exam that a Candidate receives.

Exam Item: A question or task presented to a Candidate on an examination. An item may be a multiple-choice question or a task to be performed.

Proctor: Exam administration staff who supervise Candidates during their exam sessions. Proctors may not be employed in the financial services industry.

Stakeholders: A person, group or organization that has an interest, or a “stake,” in the functions of NACFF. These may include educators, students, Applicants for certification, exam Candidates, certified professionals, professional societies, financial services firms, regulators, consumers, consumer advocacy organizations, etc. Being a stakeholder implies that the person, group or organization could be impacted in some way.

2. Overview

This Certification Policies & Procedures (P&P) Manual is designed to provide an overview of the Certified Financial Fiduciary® Program. It includes guidelines for NACFF staff, committees, volunteers and contractors involved in the certification activities of NACFF.

3. History and Program Goals

National Association of Certified Financial Fiduciaries (NACFF) establishes standards for consumer protection that include a comprehensive fiduciary training program and certification process that enable qualified financial professionals to earn the Certified Financial Fiduciary® credential.

The Certified Financial Fiduciary® designation is the only designation that focuses solely on assessing financial professionals as true fiduciaries. It is the only designation that clients and prospects can recognize as a designation meant to protect them.

The Certified Financial Fiduciary® designation is reserved for financial professionals who have successfully completed a rigorous certification and training process, the standards for which were established by NACFF and who agree to uphold the highest moral, ethical and fiduciary standards of service when providing advice to potential or existing clients.

Financial professionals who have earned the Certified Financial Fiduciary® designation can immediately and clearly demonstrate an expert knowledge of fiduciary standards, and how they practice a fundamental obligation to always put their client's best interests first. Additionally, Certified Financial Fiduciary® professionals (Certificants) are bound by a code of conduct which holds them to the highest standards of professionalism in the financial services industry.

The certification mark coupled with the prerequisites for certification makes it possible for financial professionals to demonstrate the added value and security they bring to potential and existing clients.

4. Target Audience

CFF certification is geared for financial professionals, including:

- Financial planners and advisors;
- Certified and non-certified financial planners;
- Insurance agents involved with financial services products;
- Attorneys involved with estate planning; and
- Certified Public Accountants (CPAs).

5. Certification Requirements

Prior to being awarded the Certified Financial Fiduciary® designation, Applicants must:

1. Meet one of the following prerequisites:
 - a. Possess a professional financial certification/designation or
 - b. Professional financial license (securities, insurance, accounting, etc.), or
 - c. A combination of education and experience deemed satisfactory by the NACFF Advisory Council.
2. Pass a full background check and be in good standing with all state and federal license requirements:
 - a. NACFF will review FINRA's BrokerCheck Report and reports from applicable licensing entities. Negative information may result in denial of an application.
 - b. Applicants have the right to appeal such denials.
3. Successfully complete the NACFF one day in-person training, complete the NACFF online training course or a training program for financial fiduciary practice approved as equivalent.
4. Agree to uphold the Certified Financial Fiduciary® Code of Conduct; and comply with all certification requirements including use of the certification marks and continuing education requirements that may change from time to time.
5. Complete the certification application and have the application approved to proceed to the exam.
6. Agree to the exam terms, including confidentiality of the exam content.
7. Pass the certification exam.

6. NACFF Background

NACFF was created to provide the information, tools, and resources needed for financial professionals to ensure they are compliant with all laws, regulations and best practices for protecting consumers in a fiduciary role. In addition to issuing certifications to qualified individuals, NACFF provides both a comprehensive fiduciary training program and establishes requirements for outside training programs that will further establish qualified financial professionals as a Certified Financial Fiduciary®.

NACFF owns and controls the Certified Financial Fiduciary® certification and certification-related marks and logos (collectively, the "Marks"). Only certificate recipients who hold valid Certified Financial Fiduciary® certification are authorized to use the Marks. NACFF monitors the use of the Marks on websites and other locations. Unauthorized use of the Marks by any individual is strictly prohibited. NACFF may take appropriate measures to address all unauthorized use that comes to its attention.

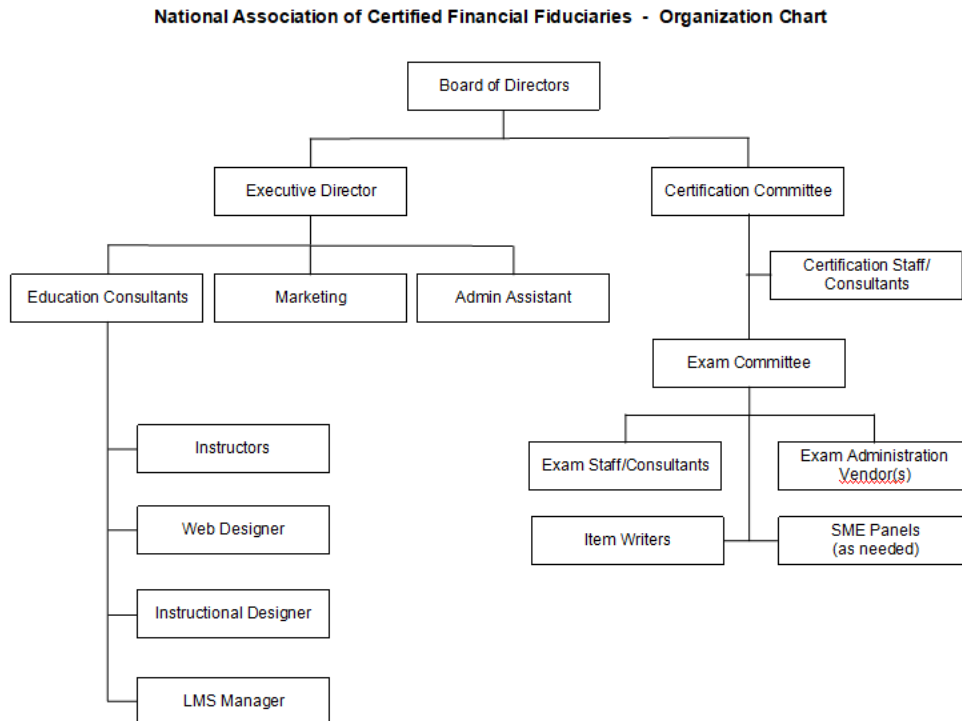
6.1 Organizational Structure

NACFF is a small association that relies on the knowledge, experience and service to the profession from many volunteers. As such the Executive Director maintains day-to-day oversight of the association activities and engages consultants for specific duties and to maintain a separation between training and certification activities. The key decision-making roles related to certification are designated to the various committees as shown below.

7. Certification Management

7.1 Administration: Board of Directors

The Board of Directors has overall responsibility for ensuring that NACFF programs meet the highest standards of professionalism for both practice as a fiduciary and delivery of a certification program in compliance with ANSI 17024. The Board has direct responsibility to ensure that the staff, consultants and committees delivering NACFF programs comply with all policies and procedures established for the operation of the various programs.



The Certification Committee has authority over the certification program. As of May 2023, the certification staff is composed of one consultant who is performing the responsibilities of the Director of Certification and Exams. The Exam Committee reports to the Certification Committee and oversees the work of the consultants, panels and vendors involved in the development and delivery of the exam. As of May 2023, there are two consultants involved in the exam program. One consultant performs the responsibilities of the Exam Manager. One consultant is a psychometrician.

7.2 Administration: Certification Committee

NACFF shall document the qualifications, training, experience, professional affiliations, professional status, competence and known conflicts of interest for all volunteers on the Certification Committee. The qualifications shall be stored on the shared drive in the folders for the appropriate calendar year for this Committee.

The Certification Committee is responsible for:

- Establishing procedures relating to the program including:
 - Maintenance of the Certified Financial Fiduciary® certification scheme;
 - Requirements to become a Certified Financial Fiduciary® professional;
 - Educational equivalency standards; and
 - Requirements to maintain Certified Financial Fiduciary® certification, including acceptable continuing education.
- Approval (or denial) of applications for certification, recertification and reinstatement.
- Oversight of the exam program.
- Adjudication of Certified Financial Fiduciary® program-related complaints and violations.
- Oversight of staff functions related to the issuance of certifications and handling of complaints, disciplinary activities and appeals.
- Oversight of the ANSI 17024 accreditation activities.

7.3 Administration: Staff

NACFF shall document the qualifications, training, experience, professional affiliations, professional status, competence and known conflicts of interest for all staff that provide the certification services needed by NACFF. The qualifications shall be stored on the shared drive in the Personnel folders.

NACFF staff is responsible for the following activities:

- Leadership and coordination among staff, subject-matter experts and contractors.
- Updating the Organization Chart (Section 7.1, above) as the organization grows in conjunction with the Certification Committee's requests related to managing the certification program.
- Oversight of the website maintenance and development, including the listing of professionals who hold Certified Financial Fiduciary® certification and those who have had certification revoked, or otherwise disciplined.
- Implementing procedures relating to the program including:
 - Requirements to become a Certified Financial Fiduciary® professional;
 - CFF® program-related complaints and violations; and
 - Marketing and promotion activities.
- Ensuring security throughout the entire certification process and taking corrective actions when security breaches occur.

7.4 Administration: Contractors

NACFF shall have legally enforceable agreements covering the arrangements, including confidentiality and conflict of interests, with each contractor that provides work related to the certification process.

NACFF shall document the qualifications, training, experience, professional affiliations, professional status, competence and known conflicts of interest for all contractors that provide the certification services

needed by NACFF. The qualifications shall be stored on the shared drive in the Vendor folders.

The certification and examination consultants are responsible for the following activities:

- Preparation of, analysis of and reporting on Job Task Analysis research;
- Development and maintenance of the certification exam (with input and assistance from subject matter experts);
- Day-to-day management of certification-related and exam-related committees and panels;
- Management of the exam-delivery vendor(s); and
- Item and exam form analysis and recommendations to improve the exam quality.

7.5 Staff, Committee and Contractor Roles

The certification exam (the assessment) is managed by contractors engaged by NACFF in order to provide a separation of duties between the educational functions of NACFF and the certification functions. The staff leadership and instructors, who are involved in the education and training program, are not involved in the exam activities. Volunteers involved in the exam are not involved in the training program.

Volunteers represent demographic characteristics similar to the Candidate population and are representative of the professionals working in the field. The volunteers that apply to be on the exam committees and panels are reviewed periodically for effectiveness and equity. Should any volunteer determine that he or she may have a potential conflict of interest with regard to any Applicant, Candidate or Certified Financial Fiduciary® professional, that individual must promptly notify management of the issue(s) or potential issue(s) Involved.

In addition to volunteers who come from the certified population, other stakeholders may be involved in various committees and panels. Stakeholders can include any consumer of financial advice services as well as educators of financial services professionals, financial service regulators and individuals involved with consumer advocacy.

For the certification and examination functions that NACFF assigns to contractors, NACFF shall:

- take full responsibility for all contracted work;
- ensure that the body conducting the work is competent and complies with the applicable provisions of ISO/IEC 17024;
- assess and monitor the performance of the contracted work in accordance with NACFF procedures;
- have records to demonstrate that the contracted work meets all requirements relevant to the assigned work; and
- maintain a list of the individuals and companies conducting outsourced work.

NACFF will ensure that staff, contractors and volunteers have adequate education and experience in order to perform their duties. When needed, NACFF will seek external, expert advice to develop qualifications required of personnel (staff and contractors) and to assist in the selection of appropriately qualified personnel.

NACFF will supplement employee knowledge with training on the specifics of certification activities and will keep the training up to date.

NACFF maintains specific job-task requirements for all employees. As of May 2023, all staff roles are

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handled by a single consultant. As the certification program grows, these functions will be either moved to internal staff positions or contracted with a certification and exam services company.

Special procedures are required for staff members who hold the Certified Financial Fiduciary® credential or intend to become certified, as well as for staff involved in the training functions of NACFF.

7.5.1 Procedure for Managing Staff Seeking Certification

Staff members who intend to seek Certified Financial Fiduciary® certification may not be involved in the exam program in any manner for at least three years prior to submitting an application for certification. This includes having no access to any exam materials, other than materials provided to all potential Applicants and Candidates.

7.5.2 Procedure for Certified Staff

Staff members, including the Executive Director, who hold Certified Financial Fiduciary® certification must submit their applications for recertification directly to the Certification Committee, which shall make the recertification (or reinstatement) decisions in executive session. The Certification Committee is responsible for ensuring that staff members have met all recertification or reinstatement requirements, including approving the required continuing education.

7.5.3 Procedure for Training Department Staff

Staff members, including the Executive Director, involved in the training programs of NACFF shall not be involved in the certification program, including preparing Candidates for the exam, having access to the certification exam, reviewing applications for certification or the exam, approving alternate training paths, approving continuing education, or being involved in issuing certification, recertification and reinstatement.

7.6 Confidentiality

All Applicant, Candidate and Certificant information is considered confidential except as noted below. NACFF will maintain all confidential information in a secure manner to include locked file cabinets and/or password protected electronic files which are backed up regularly to a cloud server that is only available via password. Access to these files will be limited to authorized employees and contractors.

Due to the dual functions of NACFF, information about students in the training program and Applicants, Candidates and Certificants in the certification program must be limited.

7.6.1 Confidential Records Between Training and Certification Procedure

- Records of individuals who are in the process of receiving training or who have completed the training program(s) offered by NACFF are confidential and will not be shared with staff, committees and consultants involved in the certification program, except in the following circumstances:
 - Training program staff and consultants can confirm the successful completion of NACFF's training program(s) to certification program staff and consultants in support of an application for certification.
 - Training program staff and consultants may forward calls or emails received from training students asking questions about certification to the certification program staff and consultants.
- Records of individuals seeking certification, in the process of certification or holding the

certification are confidential and will not be shared with the staff or consultants involved in the training program, other than information publicly available. Specifically, the certification program staff and consultants will not divulge exam scores or pass/fail status to the staff or consultants in the training program.

Information that is publicly available and published on the NACFF Website via the directory of certified individuals includes the Certificants' name and dates of certification. Certificants will be offered the opportunity to include their contact info (for those who grant permission/opt in to have this information publicly listed in the directory). Any additional information will only be released to individuals other than the Certificant if there is a written release of information form on file.

Information will be released as required by law and the individual (Applicant, Candidate, Certificant) will be duly notified of such release.

Employees and contractors will sign confidentiality agreements upon hiring and/or beginning of a contract. Should any employee or contractor determine that he or she may have a potential conflict of interest with regard to any Applicant, Candidate or Certificant, that employee or contractor must promptly notify management of the issue(s) or potential issue(s) involved.

7.7 Impartiality and Conflicts of Interest

NACFF certification activities shall be structured and managed so as to safeguard impartiality.

Staff, committees, panels and contractors will apply NACFF Certification Policies and Procedures equally to all certification Applicants, Candidates and certified individuals (Certificants.)

NACFF constantly monitors certification activities to minimize and eliminate potential or real conflicts of interest. This process includes the actions of staff, contractors, volunteers and outside entities.

Staff, contractors and volunteers are encouraged to report any actual or potential conflicts to leadership as soon as they become known. When a potential or actual conflict of interest is identified NACFF leadership will assign an appropriate individual or entity to investigate. As an example of an "appropriate" investigator, should the conflict (real or potential) involve staff leadership, the Board of Directors will be charged with investigating. Should the conflict arise from the activities of a volunteer, the Certification Committee will investigate and possibly reassign the volunteer to activities that do not result in a conflict of interest.

Examples of possible conflicts of interest include:

- A staff member, contractor or volunteer that is involved in both education and certification activities. In this situation the Certification Committee will direct that the individual involved cease performing functions for either the education or certification activities.
- A volunteer subject matter expert that is involved in item writing who works closely with current Candidates. In this situation, the Certification Committee will remove the volunteer from the Item Writing Panel.

8. Certification Policies & Procedures

8.1 Certification Scheme

The Certification Committee is responsible for the maintenance of the Certified Financial Fiduciary® Certification Scheme. In the development of the initial certification scheme and as changes in the practice of financial fiduciaries evolves, NACFF shall document the following:

- the involvement of appropriate subject-matter experts;
- the use of an appropriate certification structure that fairly represents the interests of stakeholders significantly concerned, without any interest predominating;
- the identification and alignment of prerequisites with the competence requirements;
- the identification and alignment of the assessment mechanism(s) with the competence requirements;
- the identification and alignment of the recertification and reinstatement requirements with the competence requirements; and
- a job or practice analysis that is conducted and updated to:
 - identify the tasks for successful performance;
 - identify the required competence for each task;
 - identify prerequisites (if applicable);
 - confirm the assessment mechanisms and examination content; and
 - identify the recertification requirements and intervals.

At least every five years, and in advance of any new job or practice analysis, the Certification Scheme will be reviewed to ensure that it is relevant to current practice. The Certification Committee is charged with initiating this review and may appoint one or more special panels to conduct the review. The Certification Committee should identify the types of individuals who can contribute to the review and seek out nominees for those positions from the pool of Certificants, educators, regulators and individuals involved in consumer advocacy.

As part of the process for reviewing and updating the scheme, the Committee shall seek input on the scheme and possible changes from Certificants, educators, regulators and individuals involved in consumer advocacy.

8.2 General Certification Policies

NACFF shall be responsible for, shall retain authority for, and shall not delegate, its decisions relating to Certified Financial Fiduciary® certification, including the granting, maintaining, recertifying, expanding and reducing the scope of the certification, and suspending or withdrawing the certification. Certification activities will not be influenced by any commercial, financial or other pressures that would compromise impartiality.

NACFF, as required by all applicable laws and regulations, does not to discriminate in its programs or activities on the basis of race, color, national origin, sex, age, disability or any basis not listed herein.

NACFF is committed to providing accommodations for people with disabilities in compliance with federal laws.

NACFF shall maintain the list of requirements for certification on its public website so that any individual

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that wishes to understand the requirements for certification can easily access this information.

All Policies and Procedures will be applied equally to all certification Applicants, Candidates and certified individuals.

Certificants are required to inform NACFF, without delay, of matters that can affect the capability of the certified person to continue to fulfil the certification requirements.

8.3 Initial Certification

Prior to being awarded the Certified Financial Fiduciary® designation, Applicants must:

8. Meet one of the following prerequisites:
 - a. Possess a professional financial certification/designation or
 - b. Professional financial license (securities, insurance, accounting, etc.), or
 - c. A combination of education and experience deemed satisfactory by the NACFF Advisory Council.
9. Pass a full background check and be in good standing with all state and federal license requirements:
 - a. NACFF will review FINRA's BrokerCheck Report and reports from applicable licensing entities. Negative information may result in denial of an application.
 - b. Applicants have the right to appeal such denials.
10. Successfully complete the NACFF one day in-person training, complete the NACFF online training course or a training program for financial fiduciary practice approved as equivalent.
11. Agree to uphold the Certified Financial Fiduciary® Code of Conduct; and comply with all certification requirements including use of the certification marks and continuing education requirements that may change from time to time.
12. Complete the certification application and have the application approved to proceed to the exam.
13. Agree to the exam terms, including confidentiality of the exam content.
14. Pass the certification exam.

Upon receipt of an application for certification, NACFF staff shall promptly review the application for completeness and payment of fees. Individuals submitting an incomplete application, or the wrong fees, will immediately be notified of such.

Complete applications shall be processed in accordance with NACFF policies and procedures. Approved Applicants will be provided information on how to complete the application steps including taking the certification exam and compliance with ethical policies.

For applications with negative information or upon discovery of negative information on the FINRA BrokerCheck Report or any licensing bodies' reports, NACFF staff shall forward the application and information gathered about the Applicant to the Certification Committee for review. The Committee shall review the application and any additional information within ten days and return a unanimous decision to the NACFF staff. Denials of Applicants will be accompanied by the Committee's rationale, which will be forwarded to the Applicant along with a return of the application fee (less the processing fee.)

The Certification Committee shall keep a record of all application denials and the rationales so that future applications will be evaluated similarly.

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Certification shall not be granted before all requirements have been successfully completed by the Applicant.

8.3.1 Certification Approval Process

In order to process certification applications without unnecessary delays caused by the need for the Committee to hold a meeting, the following procedure will be followed:

1. For applications with no negative information and where no negative information is discovered during the background check, Staff will process in order for the Applicant to move to the next step in the certification process.
2. For applications where negative information is revealed by the Applicant or during the background check, Staff will assemble the application packet, including all information discovered during the background check, and upload it to the secure share drive for the Committee. Application packets do not need to include the exam results at this stage.
3. Committee members will review each application presented as soon as practicable and note any concerns on the share drive.
4. When each Committee member is satisfied that the Applicant has met the prerequisites, the member will vote in the affirmative that the application should be approved.
5. Once all members of the Committee have approved an application, staff can proceed to complete the certification process following receipt of a passing score on the certification exam.
6. Whenever a member of the Committee feels that an application requires full committee consideration, the application will be held until the Chairperson is able to convene a Committee call to resolve any issues. On such a call, the Committee will hold a vote on whether to approve the application or not with a unanimous vote determining the outcome. In the event of a tied vote, the application will not be approved.
7. When an application is rejected by a majority of Committee members (and in the case of a tie as noted above) the members rejecting the application will note their reasons for rejection. Staff will notify the Applicant of the reason for rejection by summarizing the comments of the Committee members.
8. Applicants will have the right to cure any deficiency in their application with no time limit for doing so.

8.3.2 Educational/Training Equivalents

Applicants for certification have multiple options for meeting the education/training requirement.

1. Applicants who successfully complete the NACFF-provided training program are eligible to take the certification exam.
2. Applicants who complete a training program approved by NACFF are eligible to take the certification exam. Approved training providers are:
 - a. American College of Financial Services, King of Prussia, PA. Each Candidate that successfully completes the training for the Certified Financial Fiduciary® certification provided by the college will receive a certificate of completion from the college. This certificate will serve as satisfactory proof that the Candidate has met the pre-requisite education/training requirements.
3. Applicants who complete an education or training program that substantially covers the learning outcomes listed below as determined by the Certification Committee are eligible to take the certification exam.
4. Applicants who petition the Certification Committee to have their prior education and/or work experience considered as an equivalent are required to provide documentation of how the individual's education and work experience satisfy each learning outcome below. The Certification

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Committee must approve the prior education and/or work experience by a majority vote of all Committee members before the Applicant is eligible to take the certification exam.

8.3.3 Education/Training Required Learning Outcomes

1. Fiduciary Standard Overview
 - 1.1. Identify the origins of the Certified Financial Fiduciary® standard
 - 1.2. List key points that significant impact on the financial services industry
 - 1.3. Pinpoint crucial factors that influenced the SEC and DOL to make changes
 - 1.4. Recognize key facts that demonstrate how conflicted advice is problematic to the financial services industry
2. The Role of Fiduciaries in the Financial Services Industry
 - 2.1. Define fiduciary
 - 2.2. Describe the purpose and regulatory responsibility of ERISA
 - 2.3. Explain how ERISA currently defines “investment advice” and what triggers fiduciary responsibility
 - 2.4. Recognize the role the Department of Labor plays in regulating ERISA fiduciary standards
 - 2.5. Explain how the SEC and Investment Advisers Act of 1940 regulate Investment Advisers as Fiduciaries
 - 2.6. State how broker/dealers and their registered representatives differ from Registered Investment Advisers (RIAs) and their Investment Adviser Representatives
3. The Best Interest Standard of Care
 - 3.1. Accurately define the best interest standard of care
 - 3.2. Identify the key factors necessary to maintain this standard at all times
 - 3.3. Discern the difference between best interest and best practice
 - 3.4. Comply with both best interest and best practice standards
4. The Certified Financial Fiduciary® Fiduciary Standard
 - 4.1. Describe what a holistic fiduciary practice is
 - 4.2. Identify the fiduciary duties a Certified Financial Fiduciary® must provide his/her clients
 - 4.3. Recognize, disclose, and mitigate conflicts of interest
 - 4.4. Name key factors necessary to protect a client’s privacy and confidentiality
 - 4.5. Describe fair and reasonable fee structures
 - 4.6. Comply with the relevant laws governing the financial services industry
 - 4.7. Accurately define the suitability standard
 - 4.8. Accurately define the Certified Financial Fiduciary® standard
 - 4.9. Ensure all requirements are being met when the Certified Financial Fiduciary® standard is being applied
 - 4.10. Ensure all requirements are being met when the suitability standard is being applied
 - 4.11. Examine different case studies and determine which standard was applied to provide advice or recommendations to an investor
 - 4.12. Recognize the importance of utilizing financial planning software to document each stage of the planning process
 - 4.13. Describe what to look for in a fiduciary software platform that supports a best interest planning process
5. Certified Financial Fiduciary® Responsibilities of Insurance Agents
 - 5.1. Recognize the distinction between insurance agents and insurance brokers
 - 5.2. Describe an insurance agent’s fiduciary responsibilities to the client
 - 5.3. Describe an insurance agent’s fiduciary responsibility to the company or firm
 - 5.4. Describe an agent’s fiduciary loyalty obligations to the represented insurer
 - 5.5. Identify common conflicts of interest insurance agents face

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- 5.6. Recognize how to satisfy client expectations without breaching fiduciary responsibilities
- 5.7. Examine case studies
6. Holistic Fiduciary Planning
 - 6.1. Establish a holistic fact-finding process to gain a clear and precise understanding of the client's needs
 - 6.2. Work diligently with clients to identify and establish appropriate goals and objectives
 - 6.3. Analyze, compare, and distinguish client scenarios (current and suggested)
 - 6.4. Develop relevant and applicable proposals using due diligence, prudence, and care
 - 6.5. Objectively educate the client about the subject matter prior to making recommendations
 - 6.6. Present recommendations clearly and accurately so the client gains a comprehensive understanding of the circumstances as well as the potential consequences of their action or inaction to the recommendations
 - 6.7. Develop a process to implement agreed-upon recommendations
 - 6.8. Establish a system for monitoring, reviewing, and adjusting the recommended plan
7. Breaching Fiduciary Duty
 - 7.1. Identify real-world examples of breaches of fiduciary duty
 - 7.2. Avoid situations that could cause a breach of fiduciary duty
8. Financial Education
 - 8.1. Identify key factors that establish the importance of financial education and the role it plays in helping to eliminate financial illiteracy
 - 8.2. Create and implement a fiduciary (best interest) approach to gaining clients and growing their practice by providing financial education classes
 - 8.3. Effectively educate clients prior to making recommendations to reduce confusion, increase engagement and improve conversion rates while limiting risk for the client, the advisor, and the supervisory firm
 - 8.4. Leverage financial education classes with the Certified Financial Fiduciary® designation to establish credibility and trust

8.4 Certified Financial Fiduciary® Certificates

NACFF shall award a certificate to each individual who completes the requirements for certification and is awarded the Certified Financial Fiduciary® designation. Certificates may be printed and/or electronic. All certificates awarded by NACFF remain the property of NACFF and may be required to be returned to NACFF upon demand. Printed certificates shall be designed so as to minimize unauthorized duplication.

Certificates shall include the following information:

- The name of the individual awarded the certification;
- The date the certification was issued and the expiration date for the current certification period;
- A unique identification number for each Certificant;
- NACFF's logo and contact information (including URL);
- The title of the certification, including the Certified Financial Fiduciary® logo; and
- The signature(s) of the authorized member(s) of leadership (CEO and/or Chairperson of the Board of Directors.)

NACFF may award digital badges in addition to certificates from time to time. These digital badges will be controlled by NACFF. NACFF may, at its sole discretion, revoke a digital badge or cease the use of all digital badges without notification to any certified individual or all certified individuals.

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8.5 Certified Financial Fiduciary® Code of Conduct

As a Certified Financial Fiduciary®, Certificants agree to uphold the highest moral and ethical standards. These standards have been set forth in the following Code of Conduct:

- Practice the Duty of Loyalty – first and foremost, always put the client’s best interest first.
- Practice the Duty of Good Faith – there is a fundamental obligation to treat all clients fairly.
- Practice the Duty of Good Care – there is a fundamental obligation to exercise the skill of an expert and to only advise in those areas where expert skill level has been obtained.
- Educate First – provide comprehensive and unbiased education to clients prior to making specific suggestions or providing advice.
- Holistic Approach – consider all aspects and factors that affect a plan prior to making suggestions or providing advice.
- Full Disclosure – fully divulge all fees and commissions as well as disclose any conflicts of interest and disciplinary actions.
- Confidentiality – protect and keep all client’s information confidential and securely stored and transmitted.
- Professional Behavior – practice in a manner that does not bring disrepute to the profession, the Certified Financial Fiduciary® mark and fellow professionals.
- Keep NACFF Informed – report on professional practice management and any disciplinary actions taken by regulatory bodies to NACFF to ensure that the above standards are being met at all times.

8.6 Recertification

NACFF certificants may renew their certification status on an annual basis provided that they are in good standing.

At least 30 days prior to the expiration of an individual’s certification, the NACFF will notify the individual that his or her certification will lapse unless he or she pays the required renewal fee and completes a recertification application attesting to:

- Completing at least 20 hours of professional development every two years, with all hours coming from the learning outcomes defined in Section 8.3.3;
- Understanding that ten percent of all certificants will be audited each year and that if audited each certificant must provide proof of completing the professional development requirement;
- Upholding the Certified Financial Fiduciary® Code of Conduct;
- Complying with all certification requirements; and
- Complying with all requirements for the use of the Certified Financial Fiduciary® certification marks.

NACFF staff will evaluate the Recertification Application and documentation of the minimum number of professional development (continuing education) hours. Individuals found to be deficient in continuing education professional development hours or who submit incomplete or unacceptable documentation will be granted a 30 days grace period to meet the requirements.

8.6.1 Recertification Process

Before NACFF renews the Certified Financial Fiduciary® certification for each certificant, the following process will be followed:

1. Certificants are required to submit proof that they met the minimum continuing education hour requirement by submitting documentation from courses completed. This submission can be done

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- by using the NACFF CE portal or mailing/emailing the documents.
2. Staff will review each Certificant's continuing education submission to determine if the minimum number of hours has been met.
 3. Staff will review each Certificant's submission to determine if the courses taken are relevant to the certification and that they subject matter of the courses is aligned to the exam specification.
 4. Where the staff is unable to link the CE course submitted to the exam specification, the course in question will be submitted to the Certification for their approval or denial. A majority vote of the members of the Committee will determine approval or denial.
 5. In the case of a denial staff will notify the certificant that his or her submission was not approved and allow the certificant 30 days to submit additional, acceptable documentation of meeting the continuing education requirement.
 6. Certificants are required to complete an online survey of firm practices to ensure ongoing compliance with financial fiduciary best practices.
 7. Staff will review each Certificant's best practices survey to determine if the Certificant's business practices comply with the requirements for certification. If staff has any questions about the satisfactory compliance with requirements, the Certification Committee will review the Certificant's responses and may approve, deny or ask for additional information.
 8. Certificants must attest to uphold the Certified Financial Fiduciary® Code of Conduct, all NACFF policies and procedures and rules for use of the Certified Financial Fiduciary® Marks. The attestation may be submitted by paper or electronic means.
 9. Individuals who complete all recertification requirements will be issued a new certification status document that shows the current start and end dates of certification. This status document should be displayed near the wall certificate issued upon initial certification to show continued certification by NACFF.
 10. Staff will issue a renewal letter via email to the certificant and update the Certificant's certification expiration date on the public registry.

8.7 Suspension and Revocation of Certification

In the event that the Certification Committee determines that suspension of certification is warranted for a specified period of time, failure to resolve the issues that have resulted in the suspension, in a time established by the Certification Committee, shall result in revocation of the certification.

During the period of suspension, the individual may not use any of the Certified Financial Fiduciary® marks and may not make any statements to the fact that he or she holds Certified Financial Fiduciary® certification. As part of the suspension agreement, the individual will sign a statement attesting to these restrictions.

The suspension or revocation agreement shall state the requirements for reinstatement. These requirements shall not be less than the reinstatement requirements defined in Section 8.7 below.

Upon suspension or revocation, the individual's name will be removed from the online registry of certified individuals.

8.7.1 Conditions for Suspension or Revocation due to Failure to Abide by the Code of Conduct

Should NACFF become aware of a violation of the Certified Financial Fiduciary® Code of Conduct, either through reporting or other means, the procedure outlined in Policy 8.10 below will be instigated. The Committee will review the complaint and any evidence prepared by staff or others against the Code of

Conduct. The Committee shall use their judgment, as Certified Financial Fiduciary® professionals and individuals engaged in financial services to determine if the Certificant has failed to uphold the Code of Conduct in his or her engagements with clients or others. The Committee shall determine the severity of the failure by the Certificant.

When the failure to uphold the Code of Conduct is relatively minor, the Committee shall issue a warning.

When the failure to uphold the Code of Conduct is more significant but did not result in financial harm to one or more clients, the Committee shall issue a suspension of certification for one to three years, depending on the severity.

When the failure to uphold the Code of Conduct is of a nature that caused one or more clients financial harm, the Committee shall revoke certification.

The Committee shall keep a record of all cases so adjudicated so as to impose similar sanctions based on similar circumstances over time.

8.7.2 Conditions for Suspension or Revocation due to Failure to Comply with Recertification Requirements

When a certificant fails to comply with all of the recertification requirements and/or pay the recertification fee as outlined in Section 8.6 above, the following procedure will be followed:

1. Staff will not issue a certification status document and their certification will be deemed to have lapsed as of the last day of certification in the prior period.
2. Staff will notify these individuals that their certification has lapsed and that they may no longer hold themselves out as holding Certified Financial Fiduciary® certification.
3. These individuals will be notified that they must cease use of all NACFF-owned marks on their letterhead, business cards, websites and in their advertising.

8.8 Reinstatement of Certification

Individuals who allow their certification to lapse for fewer than ninety days may submit a Recertification Application, pay the required renewal fee and a late fee. These individuals will be required to comply with all recertification requirements noted in Section 8.5 above.

Individuals who allow their certification to lapse for more than ninety days but less than three years may submit a Reinstatement Application, pay the required renewal fee and a late fee. In addition to the recertification requirements noted in Section 8.5 above, these individuals will be required to submit documentation of completion of:

- 15 hours of professional development for a lapse of three months to one year;
- 20 hours of professional development for a lapse of one to two years; or
- 30 hours of professional development for a lapse of two to three years.

Individuals who allow their certification to lapse for more than three years will be required to start the certification process from the beginning, including meeting the education and certification requirements then in effect.

8.9 Appeals of Certification Decisions

Should an individual appeal a decision made by NACFF to deny initial certification, revoke or suspend certification, deny an application for recertification or deny an application for reinstatement of certification, the appeal will be directed to the Chairperson of the Certified Financial Fiduciary® Certification Committee for his or her consideration. If the chairperson determines that the appeal has merit, a Certification Appeals Committee consisting of three (3) NACFF certificants who have the following characteristics shall be formed at the discretion of the Certification Committee Chairperson to determine if the designation should be denied, suspended or revoked:

- non-NACFF board members who currently hold the Certified Financial Fiduciary® designation and who share the same primary discipline as the subject of the appeal;
- who do not work for the same company or firm as the subject of the appeal;
- who are not related within the fourth degree of consanguinity or affinity to the subject of the appeal; and
- who do not personally know the subject of the appeal.

Staff members, consultants or any other individual involved in the initial decision that is being appealed will not be involved in the appeals process, other than tracking the progress of the appeal.

The chairperson will review the appeal within thirty (30) days of receipt to determine whether an appeals committee should be convened. If convened, the Certification Appeals Committee will make a recommendation to the Certification Committee within sixty (60) days of receipt of the appeal. The Certification Committee will review the recommendation of the Certification Appeals Committee and make a final recommendation to the NACFF Board of Directors as to the recommended outcome of the appeal. All decisions made by the NACFF Board of Directors shall be final.

NACFF will acknowledge receipt of all appeals received and keep the appellant informed as to the status of the appeal throughout the process and will inform the appellant of the final resolution.

Throughout the appeals process, staff will maintain a tracking log of actions taken to resolve the appeal. The Chairpersons of the Certification Committee and the Certification Appeals Committee will keep staff informed of progress in handling the appeal. At the conclusion of each appeals process, staff and the Chairpersons will discuss what improvements, if any, could be made to the process and recommend changes, if needed, to policies and procedures.

To provide consistency and treat all Applicants and certificants fairly, the Certification Committee shall maintain a record of appeals, including outcomes recommended to the Board of Directors, so that future decisions of a similar nature will be adjudicated similarly.

Individuals seeking an appeal of a certification decision will be provided with the policy and procedures for handling appeals when they submit the appeal. Any interested party may request a copy of the appeals policies and procedures at any time. During the appeals process, the individual making the request will be kept informed as to the progress of the appeal throughout the time the appeal is under consideration and upon completion of the appeal process. During the appeals process, the individual requesting the appeal will not be denied any other NACFF services and will not be treated in a discriminatory manner.

8.10 Complaints Against Certified Financial Fiduciary® Professionals

The National Association of Certified Financial Fiduciaries (NACFF) is dedicated to setting and promoting standards of excellence for financial professionals who act as fiduciaries when providing retirement advice to existing or potential clients. The NACFF recognizes the importance of promulgating a code of behavior for its certificants that emphasizes a team approach to financial advising, and relies upon the competency, knowledge, professionalism, integrity, objectivity and responsibility of each person qualifying as a Candidate for certification.

To this end, all active Certified Financial Fiduciary® professionals agree to continuously abide by the NACFF Code of Conduct (<https://nationalcffassociation.org/code-of-conduct>) and to maintain an ongoing commitment to the NACFF concept and standard of excellence when acting as a fiduciary. Furthermore, all Certified Financial Fiduciary® professionals must practice a fundamental obligation to always put their client's best interest first at all times. Not simply when dealing with retirement assets. Should an individual or a state or federal agency believe that an active Certified Financial Fiduciary® professional has acted in an unethical or unprofessional manner, or that they have violated the Code of Conduct or policies for membership, a complaint may be filed against the individual. A Complaint Form, available here (<https://nationalcffassociation.org/complaint-procedure>) in a downloadable PDF format, with supporting documentation should be submitted to the NACFF, 8604 Cliff Cameron Dr. STE 187, Charlotte, NC 28269 or by email to report@nationalCFFassociation.org.

Any complaint filed against an active Certified Financial Fiduciary® professional will be directed to the Chairperson of the Certification Committee for his or her consideration. If the chairperson determines that the complaint has merit, a Complaint Review Committee consisting of three (3) NACFF certificants who have the following characteristics shall be formed at the discretion of the Certification Committee Chairperson to determine if the designation should be revoked:

- non-NACFF board members who currently hold the Certified Financial Fiduciary® designation and who share the same primary discipline as the subject of the complaint;
- who do not work for the same company or firm as the subject of the complaint;
- who are not related within the fourth degree of consanguinity or affinity to the subject of the complaint; and
- who do not personally know the subject of the complaint.

The chairperson will review the complaint within thirty (30) days of receipt to determine whether a review committee should be convened. If convened, the Complaint Review Committee will make a recommendation to the Certification Committee within sixty (60) days of receipt of the complaint and shall notify the certified individual of the complaint filed against him or her. The Certification Committee will review the recommendation of the Complaint Review Committee and make a final recommendation to the NACFF Board of Directors as to whether the designation should be suspended or revoked. All decisions made by the NACFF Board of Directors shall be final.

NACFF will acknowledge receipt of all complaints received and keep the complainant(s) informed as to the status of the complaint throughout the process and will inform the complainant(s) of the final resolution. The identity of the individual making the complaint will be kept confidential and shared only with the Complaint Review Committee – not with the certificant.

Throughout the complaints process, staff will maintain a tracking log of actions taken to resolve the complaint. The Chairpersons of the Certification Committee and the Complaint Review Committee will

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keep staff informed of progress in handling the complaint. At the conclusion of each complaint process, staff and the Chairpersons will discuss what improvements, if any, could be made to the process and recommend changes, if needed, to policies and procedures.

8.11 Complaints Against NACFF Certification Activities

NACFF accepts complaints and/or expressions of dissatisfaction by any individual or organization relating to certification activities, policies and procedures.

When a complaint is received it will be acknowledged with a timeline for the proposed response. Due to the wide variety of possible complaints or expressions of dissatisfaction, the complaint may be handled by the CEO, the Board of Directors, the Certification Committee or staff/consultants.

For complaints related to certified individuals, the policies and procedures in Section 8.10 of this document will govern.

For complaints related to the certification policies and procedures, the Certification Committee will review the complaint and draft a response for staff to send to the complainant.

For complaints related to issues or communications with staff and/or consultants, the CEO will respond.

Other complaints will be handled on a case-by-case basis and will be responded to by an appropriate individual or committee.

8.12 Certification Records

Certification records shall be maintained in a secure manner. Only authorized individuals who have a need to access such records will be permitted access. Certification records include:

- Requests for a certification application;
- Applications for certification, whether approved or not;
- Internal forms used to determine eligibility for certification;
- Internal communications used to determine eligibility for certification;
- Complaints regarding Applicants, Candidates, certified individuals and formerly certified individuals;
- Recertification applications and forms used to recertify individuals;
- Reinstatement applications and forms used to reinstate individuals;
- Internal documents and communications used by the Certification Committee during the adjudication of complaints; and
- Exam data, including raw exam data, score reports and pass/fail status data.

Certification records, whether in paper or electronic form, shall be retained as follows:

- Records pertaining to a Certificant, including applications, recertification forms, reinstatement forms, exam score reports, final outcomes of any adjudication process and all signed ethical declarations shall be retained by NACFF for a minimum of ten years following the expiration or removal of certification.
- Records pertaining to Applicants for certification, where the individual either did not complete the process within three years or was denied certification shall be retained by NACFF for five years following the last date of activity.

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- Records pertaining to complaints against Certificants that were adjudicated as not having merit or where no disciplinary action was taken shall be retained by NACFF for a minimum of three years following the last date of activity.

9. Certification Marks Use

NACFF owns and controls the Certified Financial Fiduciary® certification and certification-related marks and logos (collectively, the "Marks"). Only certificate recipients who hold valid Certified Financial Fiduciary® certification are authorized to use the Marks. NACFF monitors certificants' use of the Marks on websites and other locations. Unauthorized use of the Marks by any individual is strictly prohibited. NACFF may take appropriate measures to address all unauthorized use that comes to its attention.

9.1 Certified Individuals

Individuals who have a current, valid Certified Financial Fiduciary® certification are authorized to use the certification marks under license from NACFF for the duration of their certification by NACFF. Certified individuals will be provided with the rules for use of the marks, including the consequences of misuse. As part of the granting of certification, NACFF will require all individuals who hold the credential to affirm that they will abide by the marks use policies and that they will cease to use the certification marks at the point in time when they no longer hold a current certification from NACFF.

Certified individuals must use the correct marks on all marketing materials, on their website, in their email signature block, on their Twitter handle, on their LinkedIn profile, etc.

NACFF will monitor marks use by all certified individuals.

9.2 NACFF Educational Program

NACFF's educational program materials may refer to the certification marks when describing the benefits of completing the education and the benefits of certification by individuals who are qualified to hold the credential.

The educational materials will not directly or indirectly imply that completion of the education program, by itself, will result in the award of the Certified Financial Fiduciary® certification and will make clear that only individuals who complete all certification requirements may hold themselves out as Certified Financial Fiduciary® Certificants.

9.3 Applicants for Certification

Individuals going through the certification process may not use the certification marks or imply that they will soon hold the Certified Financial Fiduciary® credential.

9.4 Exam Candidates

Exam Candidates may not use the certification marks or imply that they will soon hold the Certified Financial Fiduciary® credential.

9.5 Corrections to Misuse of Marks

When NACFF becomes aware of marks misuse, the organization will take immediate action to stop such use, educate this abuser and monitor the individual or entity to ensure corrective actions are taken and

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continue to be taken over time.

When marks are misused by media organizations, such as when referring to a certificant in a news story, NACFF will inform the media organization of the correct form of marks use for future stories.

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