

31 March 2022

ASX Limited
ASX Market Announcements Office
Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Magellan Financial Group Limited Staff Engagement & Retention Program

On 18 February 2022, Magellan Financial Group Limited ("Magellan") announced a net profit after tax of \$251.6 million for the half year ended 31 December 2021 and an interim dividend of 110.1 cents per share. At that time, Magellan also foreshadowed its intention to make retention payments to employees, review terms of the share purchase plan ("SPP") and to issue up to 10 million options to Magellan Group employees. Magellan is pleased to advise that a prospectus for the employee option issue is expected to be lodged with ASIC today.

This announcement confirms that the guidance range of Funds Management business expenses of \$125-\$130 million remains unchanged and includes the amounts recognisable in the 2022 financial year in respect of these staff retention initiatives outlined below.

Under the program, staff will benefit from three initiatives, comprising:

- A retention bonus plan which entitles some employees to a bonus paid in two instalments in September 2024 and September 2025, subject to standard conditions including that they remain employed by the Magellan Group on those dates. Where an employee has an outstanding SPP loan balance on a retention bonus payment date, the after-tax amount of the retention bonus will be applied to reduce the outstanding loan balance, otherwise it will be paid in cash. Retention bonuses are in addition to Magellan's existing annual salary and bonus review.
- Amendments to the repayment terms of SPP loans including to extend the maximum life of the loans and to remove the requirement to direct a portion of an employee's annual bonus towards the repayment of their SPP loan.
- The proposed issue of up to 10 million options to Magellan Group employees ("Employee Option Issue"), subject to standard conditions around vesting and continued employment.

Below are the key terms of the employee options:

- Exercise price of \$35 per employee option;
- Expiry on 16 April 2027;
- Vest on and become exercisable from 1 September 2024, subject to the holder remaining an employee of the Magellan Group on that date;
- Will lapse if an employee ceases to be an employee of the Magellan Group; and
- Will not be quoted on ASX or be transferable.

Magellan's Founders, Mr Hamish Douglass and Mr Chris Mackay will not participate in these initiatives.

Ms Kirsten Morton, Magellan's Interim CEO, said: "Magellan's employees are exceptional. They have been working tirelessly in what has been a challenging period. The staff retention initiatives announced today comprise part of Magellan's overall goal to continue to be an employer of choice for our employees and provide excellent service to our clients. We believe these initiatives achieve these goals while balancing the needs of our shareholders."

The expenses associated with the Employee Option Issue and retention bonus plan will be recognised by Magellan over the course of their respective vesting periods. The guidance range of Funds Management business expenses of \$125-\$130 million remains unchanged and includes the amounts recognisable in the 2022 financial year in respect of these staff retention initiatives.

About Magellan

Magellan Financial Group is a specialist funds management business established in 2006 and based in Sydney, Australia. Magellan's core operating subsidiary, Magellan Asset Management Limited, manages approximately \$69.1 billion of funds under management at 11 March 2022 across its global equities, global listed infrastructure and Australian equities strategies for retail, high net worth and institutional investors and employs approximately 140 staff globally. Magellan is listed on the Australian Securities Exchange (ASX Code: MFG). Further information can be obtained from www.magellangroup.com.au.

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