

25 October 2023

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

Leadership announcement

Magellan Financial Group Ltd (“Magellan” or “the Group”, ASX: MFG) announces that with effect from today Mr. Andrew Formica will take on the role of Executive Chairman while it undertakes a search for a new Chief Executive Officer.

Mr. David George will step down from his role as Chief Executive Officer and Managing Director of Magellan Asset Management Limited and cease his role as Director of the Board effective today. Mr. George will remain available until 31 December 2023 for a handover, at which point he will be paid in lieu of the balance of 6 months’ notice.

The Board is grateful for David’s contribution during a challenging time for the business, including for his role in stabilising and improving the core funds management business, defining a strategy to diversify the business and establishing new products and enhancing client solutions. The appointment of Mr Formica as Executive Chairman maintains stability and given his significant experience leading funds management businesses ensures that Magellan continues to deliver on its strategic objectives and aid improved performance.

Mr. Formica said: “The Board, in consultation with David, believe it is time to refocus leadership which will accelerate the progress made to date. The Board remains focused on the delivery of exceptional investment performance for our clients and are well positioned to continue to explore organic and inorganic growth opportunities. I am personally committed to the task of leading Magellan until such time that a new CEO can be appointed.

“Our immediate focus is on ensuring we retain, attract, and appropriately incentivise our talent to drive performance excellence. An important step in achieving this is to address the existing Employee Share Purchase Plan (ESPP) Loans and we are pleased to today announce that additional retention payments will be made to close out the ESPP Loan balances for the majority of staff by September 2025.

“We have also commenced work on the development of a new employee accountability and alignment model to provide our people with short term and long-term incentives that are aligned to delivering positive client and shareholder outcomes, which we expect to be in place by 30 June 2024.

“With the Board renewal process now complete, and following today’s announcement, the business is positioned to continue the journey to restore Magellan to its place as one of Australia’s leading fund managers,” Mr Formica said.

Mr. George said: "Magellan remains a great business and I have been proud to support our team in driving better investment and client outcomes. I continue to believe Magellan has a bright future ahead."

The process of selecting a new CEO has commenced and the Board will update the market in due course. Details of the remuneration arrangements for the Executive Chairman role are set out in the attachment to this announcement.

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 \$35 billion of funds under management at 29 September 2023 across its global equities, global listed infrastructure and Australian equities strategies for retail, high net worth and institutional investors and employs approximately 110 staff globally. Further information can be obtained from www.magellangroup.com.au.

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ANNEXURE: SUMMARY OF MATERIAL TERMS OF EXECUTIVE CHAIR REMUNERATION

<p>Commencement Date and Term</p>	<p>From 24 October 2023 for a fixed term of 6 months or until the Board appoints and the commencement of a new Chief Executive Officer. If a new Chief Executive Officer is not found within the first 6 months, the employment is terminable on 6 months' notice by either party or when a new Chief Executive officer is found and starts. It is anticipated that the Executive Chairman will return to the Board at this point as a non-executive director and Chairman and his remuneration will revert to director's fees.</p>								
<p>Fixed Remuneration</p>	<p>\$1.35m inclusive of superannuation per annum during the period Mr Formica is engaged in the position as Executive Chairman.</p> <p>Due to the interim nature of his role, Mr Formica will not be eligible for any short term or long-term incentives. While receiving his fixed remuneration, Mr Formica will not receive any director's fees.</p>								
<p>Sign-on Retention</p>	<p>There are additional incentives that Mr Formica has from his previous employment. These may be at risk in accepting the Executive Chairman role. If Mr Formica is detrimentally impacted he will be granted a cash replacement for incentives that he will give up. If lapsed, these will vest up to the following amounts as set out below.</p> <table border="1" data-bbox="448 1422 917 1767"> <thead> <tr> <th>Payment date</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>March 2024</td> <td>\$715,010</td> </tr> <tr> <td>March 2025</td> <td>\$574,470</td> </tr> <tr> <td>March 2026</td> <td>\$666,254</td> </tr> </tbody> </table> <p>These amounts will be payable provided that Mr Formica has not resigned (or given notice of his resignation to) or been summarily dismissed by the Company as at the relevant payment date.</p>	Payment date	Amount	March 2024	\$715,010	March 2025	\$574,470	March 2026	\$666,254
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March 2024	\$715,010								
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Post-employment restraint	If Mr Formica leaves employment and does not return to the Board as a non-executive director, he will be subject to a 12 month non-compete and non-solicitation restraint.
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