



Remuneration and Nominations Committee Charter

Magellan Financial Group Limited

ACN 108 437 592

20 June 2018

Remuneration and Nominations Committee Charter

1. Introduction

- 1.1 Magellan Financial Group Limited ("**Company**") is an ASX-listed investment company.
- 1.2 The Remuneration and Nominations Committee ("**Committee**") is a committee of the board of directors of the Company ("**Board**").
- 1.3 The Board has established the Committee under the Company's constitution.
- 1.4 This Charter sets out the scope of the Committee's responsibilities in relation to the Company and its controlled entities ("**Group**").
- 1.5 The role of the Committee is not an executive role.

2. Objective

- 2.1 The objective of the Committee is to review and make recommendations to the Board in relation to:
 - (a) **Directors Fees** - the Group's remuneration framework for directors, including the process by which any pool of directors fees approved by shareholders is allocated to directors;
 - (b) **Executive Chairman & CEO Remuneration** - the remuneration package to be awarded to the Executive Chairman and the CEO and their executive employment agreements;
 - (c) **Performance measures** - establishing and maintaining a process to set robust performance measures and targets (including financial and non-financial) that align remuneration arrangements of senior executives and other employees with the interests of Shareholders and the Group's strategic objectives and business plans, as well as encouraging superior executive performance and behaviour consistent with the Code of Conduct;
 - (d) **Incentives** - the operation of and entitlements under incentive arrangements (including any equity based plans) offered for the CEO, and on a total basis for all other employees;
 - (e) **Superannuation** - superannuation arrangements for directors, senior executives and other employees;
 - (f) **Reviews** - oversight of the Performance Review and Remuneration Review processes for the CEO and on a total basis all other employees;
 - (g) **Policies** - ensuring that management has in place and implements appropriate human resources management policies and practices that comply with relevant legislation and support opportunities being realised based solely on merit for all employees. Policies include (but not limited to) those relating to remuneration (including equity based), diversity and equal opportunity regardless of sex, race, religion, sexual orientation and disability, preventing discrimination and harassment and upholding privacy.
 - (h) **Annual Report** - the Remuneration Report;
 - (i) **AGM** - in respect of annual and general meetings of Shareholder resolutions and explanatory material, the subject of the responsibilities of the Committee;

- (j) **Board Matters** - to review and make recommendations to the board in relation to:
 - (i) board succession planning generally;
 - (ii) induction and continuing professional development programs for directors;
 - (iii) the development and implementation of a process for evaluating the performance of the board, its committees and directors;
 - (iv) the process for recruiting a new director, including evaluating the balance of skills, knowledge, experience, independence and diversity on the board and, in the light of this evaluation, preparing a description of the role and capabilities required for a particular appointment;
 - (v) the appointment and re-election of directors; and
 - (vi) ensuring there are plans in place to manage the succession of the CEO and other senior executives; and
- (k) any other activities that the Board or Committee may identify from time to time.

3. **Committee composition**

3.1 The Committee shall comprise:

- (a) at least three directors;
- (b) all of whom are non-executive directors; and
- (c) a majority of independent directors.

3.2 The Board will appoint the chairperson. The chairperson must be an independent director.

3.3 The secretary of the Company will be the secretary of the Committee.

3.4 The Committee must be of sufficient size, independence and technical expertise to effectively discharge its mandate.

3.5 Each member of the Committee should have an appropriate understanding of the funds management industry.

3.6 A member may act by their alternate.

4. **Performance Appraisal**

4.1 The Committee will conduct an appraisal of the performance of its members, adherence to its Charter and achievement of its objectives every two years in conjunction with the Board's overarching performance review.

5. **Committee meetings**

5.1 The Committee will meet a minimum of twice each year.

5.2 A quorum for a Committee meeting is two Committee members.

5.3 Committee meetings may be held by any technological means allowing its members to participate in discussions even if all of them are not physically present in the same place. A member who is not physically present but participating by technological means is taken to be present.

5.4 The Committee may pass or approve a resolution without holding a meeting in accordance with the procedures (so far as they are appropriate) in section 248A of the *Corporations Act 2001 (Cth)*.

5.5 The Committee may invite other persons it regards appropriate to attend Committee meetings. The Executive Chairman and the Managing Director have a standing invitation to attend each meeting, subject to exclusion at the discretion of the Committee Chairman as may be necessary from time to time.

5.6 The secretary will circulate the agenda and papers a reasonable period in advance of each meeting.

6. **Minutes of Committee meetings**

6.1 The Committee must keep minutes of its meetings.

6.2 Draft minutes of each Committee meeting must be included in the papers for the next full Board meeting after each meeting of the Committee.

6.3 Minutes must be distributed to all Committee members, after the Committee chairperson has approved them.

6.4 Minutes, agenda and supporting papers are available to directors upon request to the Committee secretary, except if there is a conflict of interest.

7. **Reporting to the Board**

The Committee chairperson must report the Committee's findings to the Board after each Committee meeting.

8. **Access to information and independent advice**

8.1 The Committee may seek any information it considers necessary to fulfil its responsibilities.

8.2 The Committee has access to:

- (a) Group senior management to seek explanations and information from them; and
- (b) external consultants or specialists where the Committee considers that necessary or appropriate, at the Company's cost. The Committee may meet with these external advisers without Group senior management being present.

9. **Material personal interests**

9.1 If a member of the Committee or person attending a meeting of the Committee has a material personal interest in a matter before the Committee, the member or person must not be present at the meeting during the Committee's discussion of the matter (except as provided for in the *Corporations Act*).

10. **Review and changes to this charter**

10.1 The Committee will review this Charter annually or as often as it considers necessary.

10.2 The Board may change this Charter from time to time by resolution.