



The new broom

Company/ASX Code	Magellan Financial Group / MFG
EGM date	Wednesday 14 December 2022
Time and location	3pm Level 36/15 Martin Place, Sydney, New South Wales. Online at https://web.lumiagm.com/322912924
Registry	Boardroom
Type of meeting	Hybrid
Poll or show of hands	Poll
Monitor	Elizabeth Fish
Pre EGM Meeting?	No

Monitor Shareholding: The individual (or their associates) involved in the preparation of this voting intention has a shareholding in this company.

Summary of issues for meeting

Proposed Voting Summary

No.	Resolution description	
1	That the maximum remuneration that may be paid to all non-executive directors in any financial year be increased from \$750,000 per annum to \$1,750,000 per annum	For

Summary of ASA Position

The purpose of this EGM is to seek shareholder approval to increase the maximum aggregate remuneration payable to non-executive Directors of the Magellan Financial Group (MFG). The last increase in the maximum aggregate remuneration was at the Company's Annual General Meeting on held on 12 October 2017. The Group has also given notice of intention to increase non-executive directors, given two executive directors having resigned from the board.

At the recent AGM the ASA asked whether a full Board refresh was proposed. The Chair went through some changes he planned, short of a full Board refresh, and assured shareholders that the Board had been discussing succession with Mr Douglass prior to the upheavals. There was no indication that this EGM would take place.

At 30 June 2022 Magellan reported funds under management of 61.3bn. and a Market Cap \$1.89bn. The FY22 Annual Report showed remuneration for Non-Executive Directors as;

Chairman \$77,000 + super of \$8,000

Member \$77,000 + super of \$8,000

Chair of the Audit and Risk Committee and the MAM Board \$27,000

Member of the Audit and Risk Committee \$11,000

Other benefits of between \$9k and 27k were received by each NED. Other benefits representing the non-cash cost of providing interest free loans to participants in the share purchase plan.

By way of comparison the ASA found from the Godfrey Remuneration Group incentive guide 2022 that average remuneration packages of Chairmen and NEDS, for companies in the finance sector with caps between \$1.5 and 3.5bn are:

Chairman are in the range \$214k to 326k – the median is \$231.

Other NEDs in the range \$118-185k – the median is \$138k

The sample size for this group of companies is 19. The total package received includes Board Fees, committee fees, superannuation contributions and other benefits.

It would appear that Magellan's NED's fees are significantly out of line with peers and the ASA will vote undirect proxies in favour of the resolution.

We note that the proposed increase to the fee pool should enable Mr. David Dixon to be appointed to the Board of the Company as previously announced. It should provide sufficient headroom to facilitate further Board renewal, and we consider it should not need revising for a number of years.

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