Directors' Remuneration report

6. Directors' Remuneration Policy

6.1 Executive directors' Remuneration Policy

This section of the report sets out the Remuneration Policy for executive and non-executive directors which will be put to shareholders for approval and, if approved, be effective from the conclusion of the 2022 AGM on 6 May 2022 for the following three years.

Aligning the interests of the executive directors with those of shareholders and with Man Group's strategic goals is central to Man Group's Remuneration Policy. The current policy has operated broadly as intended and, as set out in the Chair's statement, the Committee is proposing the following changes which it believes will enhance the existing policy:

- Equalise short and long-term incentive opportunities so each represent 300% of salary (currently at 250% and 350% of salary respectively).
- Increase bonus deferral to 55% (currently at 50%).
- Introduce ESG-related objectives and metrics into the bonus and LTIP.

In line with shareholders' interests being managed within a robust governance framework, the Company continues to aim to retain and incentivise high calibre executive directors; it will do this by paying a competitive base salary and benefits, together with a short-term annual bonus, with significant deferral, and a long-term incentive plan collectively linked to a range of financial and non-financial metrics and objectives to deliver the Company's strategy and ensure alignment with shareholder interests.

Decision making process

As described in the Chair's statement, during 2021 the Directors' Remuneration Policy has been reviewed in consultation with some of the Company's shareholders. In October 2021, we wrote to 21 of our largest shareholders and the main shareholder representative bodies to consult on our proposed new policy. Shareholders were offered the opportunity to discuss the changes with the Committee Chair and Senior Reward Executive. We were pleased that the majority of shareholders contacted took the time to engage with us and helped to inform the policy being proposed. The Committee also considered input from management and from its independent advisers, as well as taking account of latest market practice and corporate governance developments. Any potential conflicts of interest were managed by ensuring that no individual was present when their own remuneration arrangements were discussed and that the proposed changes aligned to the firm's strategy, values and culture.

In compliance with the UK Corporate Governance Code (2018) (the Code), we have set out below how the Committee addresses the following factors:

Risk

Inappropriate risk-taking is avoided and good alignment with shareholders is achieved through a number of mechanisms including significant bonus deferral into shares and funds, a three-year performance period for the Long-Term Incentive Plan (the LTIP) with a subsequent two-year post-vesting holding period and shareholding requirements, including for two years after cessation of employment. Before any decisions about incentive outcomes are made, the Audit and Risk Committee reports to the Committee on any specific matters indicating excessive risk-taking or lack of regard for controls and procedures. Malus and clawback provisions apply to the incentives in a range of specified circumstances, as set out in the table on page 129.

Predictability

The charts on page 130 illustrate the potential remuneration outcomes under a range of scenarios (including in the event of a 50% increase in the share price). Each year a detailed review is undertaken in order to set stretching annual and three-year performance targets in the bonus and LTIP respectively.

Proportionality

The link between strategic priorities and incentive metrics is set out in detail in the chart on page 105. The Committee considers wider employee remuneration, holistic business performance and shareholder experience in determining the appropriate level of executive director remuneration.

Alignment to culture

The key principles that underpin our approach to remuneration (and which apply at all levels of the organisation) are:

- remuneration is structured to support corporate strategy and sound risk management;
- employees' interests are aligned with shareholders and the bonus pool is drawn from profit;
- incentives are designed to encourage behaviour focused on longer-term strategic and sustainable performance; and
- our total remuneration is competitive in the talent markets from which we hire.

Simplicity

Incentive schemes are straightforward in their structure and operation with explicit links between strategic priorities, key performance indicators and incentive metrics.

Clarity

The Remuneration Policy is clearly laid out in tabular form in the DRR (summary on page 107 and full policy on pages 127 to 129). Details of the operation of the Remuneration Policy have been explained to the wider workforce, as set out in the Chair's statement.

Executive directors' Remuneration Policy – Table R22

Function	Operation	Opportunity	Performance metrics
Base salary Based on experience and individual contribution to leadership and Company strategy.	Salaries are reviewed annually taking into account market ranges for executives of comparable status, responsibility and skill in companies of similar size and complexity to Man Group with consideration also given to sector relevance.	The maximum salary for an executive director is $1.1million for the duration of this Remuneration Policy. In reviewing salaries the Remuneration Committee takes into account individual and Company performance, salary increases below Board level, time since the last increase, market practice and total compensation opportunity.	None.
Pension To provide an opportunity for executives to build up income on retirement.	Group Personal Pension (GPP), or a similar contribution to an alternative arrangement is provided. For those exceeding HM Revenue & Customs pension allowances, cash allowances are provided at no additional cost to Man Group.	The maximum employer contribution for executive directors is aligned with the maximum available under the wider employee policy, currently 14% of pensionable base salary. To qualify for the maximum employer contribution level, directors must meet certain service criteria in line with the policy for all employees.	None.
Benefits To provide non-cash benefits which are competitive in the market in which the executive is employed.	Benefits include family private medical insurance, life assurance, permanent health insurance and gym membership subsidy. Flexible benefits can be purchased from base salary. Other ad hoc benefits such as relocation can be offered, depending on personal circumstances. The Company provides Directors' and Officers' liability insurance and may provide indemnities to the fullest extent permitted by relevant legislation.	It is not anticipated that the total benefits for any executive director will normally exceed 10% of salary.	None.
Sharesave To encourage UK-based employees to own Man Group shares.	The Man Group Sharesave Scheme is an all-employee plan. The executive directors who participate in the Sharesave Scheme are granted options over Man Group shares and make monthly savings from their post-tax salary. Options are granted at a 20% discount to market price on the date of grant.	Savings capped at HM Revenue & Customs limits.	None.

Directors' Remuneration report

6. Directors' Remuneration Policy continued

Function	Operation	Opportunity	Performance metrics
Annual bonus To incentivise and reward strong performance against annual financial and non-financial targets. Deferral of a significant proportion of the bonus into shares is designed to align executives' interests with those of shareholders over the long term.	Performance measures and stretching targets are set at the start of the year. At the end of the year, the Remuneration Committee considers the extent to which these have been achieved and sets the award level, taking into account the overall performance context and experience of shareholders. 45% of any bonus is delivered upfront in cash and 55% is delivered in shares (or fund awards where the executive director has met the minimum shareholding requirement) deferred for up to three years, released on the first, second and third anniversary of grant in three equal tranches. Retention period may apply where required by regulations. The Committee may award dividend equivalents on deferred shares in respect of dividends declared during the deferral period at the same time as the delivery of vested shares. Malus and clawback provisions apply in certain specified circumstances, further details of which are provided below.	The maximum award is 300% of salary. Threshold performance is 25% and target performance is 50% of the maximum.	The bonus is based on the Remuneration Committee's assessment of executive directors' performance over a financial year against objectives, which are based at least 70% on financial measures which may include, but are not limited to, measures of assets under management, revenue, profit and cash, 15% based on ESG objectives and up to 15% based on individual contribution and medium-term strategic goals. Details of the measures and weightings applicable for the year ending 31 December 2022 are on page 122. Details of the targets will be disclosed retrospectively in next year's annual report on remuneration, when they are no longer deemed commercially sensitive by the Board. The Committee retains the discretion to adjust the bonus if it considers that the formulaic outcome does not reflect underlying business performance. The Committee also retains discretion to make changes to the award if required by regulations.
Long-Term Incentive Plan To engage and motivate executive directors to deliver on KPIs which support implementation of the Company's strategy in order to deliver superior long-term returns to shareholders.	An annual award of Man Group plc shares, subject to performance conditions over a period of at least three years. An additional holding period of at least two years will apply following vesting. Notional dividends accrue on performance share awards to the extent that the performance conditions are met, delivered as shares or cash at the discretion of the Remuneration Committee at the same time as the delivery of vested shares. Malus and clawback provisions apply in certain specified circumstances, further details of which are provided below.	The maximum annual grant is 300% of salary. Threshold performance results in 0% vesting, target performance results in 50% vesting, rising to 100% vesting for maximum performance.	The vesting of awards is linked to a range of measures which may include, but is not limited to: – a measure of investment performance; – a profitability measure; – a growth measure (e.g. management fee EPS and/or increase in net flows); – a relative performance measure (e.g. TSR); and – an ESG-related measure. Weightings may vary year-on-year with no individual metric accounting for more than 50% of the overall outcome. Details of the measures for the awards to be made in March 2022 are set out on page 122. The Committee has discretion to amend the performance conditions, in exceptional circumstances, if it considers it appropriate to do so, e.g. in the event of accounting changes, M&A activities and disposals. Any such amendments would be fully explained and disclosed in the next year's annual report on remuneration. The Committee retains discretion to adjust the extent to which an award shall vest if appropriate to reflect the broader financial performance of Man Group. The Committee also retains discretion to make changes to the award if required by regulations.

Function	Operation	Opportunity	Performance metrics
Shareholding requirements	In order to align the interests of executive directors and shareholders, Man Group requires its executive directors to maintain a percentage of salary in Man Group shares.	The Chief Executive Officer is required to maintain a shareholding of 300% of base salary. Other executive directors are required to maintain a shareholding of 200% of base salary.	Executive directors are required to build up this shareholding progressively. Incumbents will build up to the prescribed shareholdings with vested shares where not already at or above this level. The full requirement, or the actual holding on departure if lower, must be retained for two years after departure from Man Group.
Malus and clawback	The Committee may apply malus and/or clawback to variable pay in certain specified circumstances including: (i) where the director fails to meet the required standards of fitness and propriety, (ii) fraud or misconduct, (iii) material misstatement of financial results affecting the assessment of a performance condition, or (iv) where there has been an error or inaccuracy relating to the determination of variable pay. In addition, it can apply malus if the director participates in, or was responsible or accountable for, (i) a material error, (ii) a material downturn in financial performance, (iii) a material failure of risk management, (iv) censure by any regulatory authority or, (v) a significant detrimental impact on the Company's reputation. Malus applies until the end of the vesting period with clawback applying until the end of any applicable retention period.		The Committee retains discretion to make changes to the malus and clawback provisions if required by regulations.

Notes to the policy table:

In implementing the above Remuneration Policy, the Remuneration Committee shall have regard to all relevant legal and regulatory requirements, including the principles and provisions of the UK Corporate Governance Code (2018), the Listing Rules, the Financial Conduct Authority Remuneration Codes and to leading investor representative body guidelines.

Any commitments made prior to, but due to be fulfilled after, the approval and implementation of the revised Remuneration Policy approved by shareholders (including under any previously approved policy) will be honoured. In particular, awards which vest under the DEIP will be satisfied in accordance with the DEIP rules. In addition to the elements of remuneration detailed in the policy table, the Remuneration Committee may consider it appropriate to grant an award under a different structure in order to facilitate the recruitment of an individual (see details in the paragraph 'Approach to recruitment remuneration').

Where employees hold units in funds managed by Man Group, the fund may rebate fees to the employee.

Directors' Remuneration report

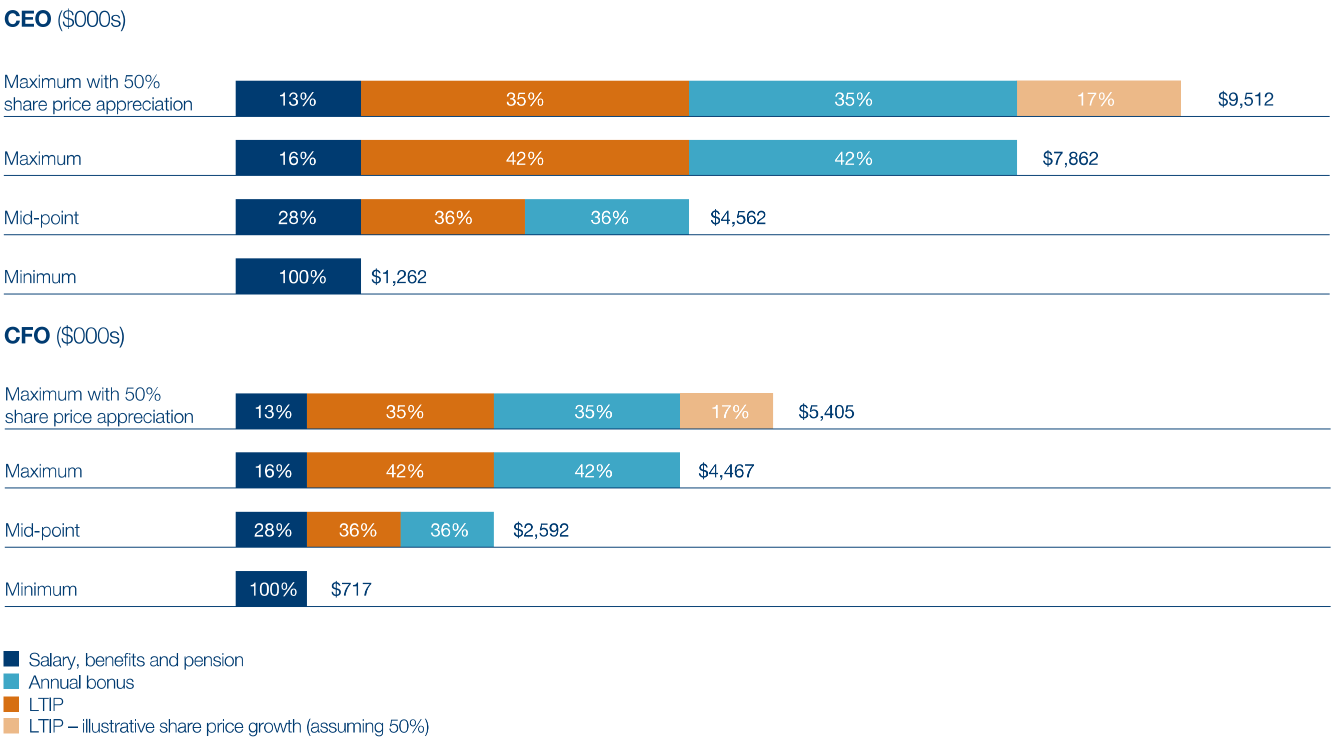
6. Directors' Remuneration Policy continued

6.2 Illustrative pay for performance scenarios

The chart below provides an illustration of some of the potential reward opportunities for executive directors in respect of the operation of the Directors' Remuneration Policy in 2022 showing the potential split between the different elements of remuneration under different performance scenarios: 'minimum', 'mid-point', 'maximum' and 'maximum with 50% share price appreciation'.

Assumptions used:

- The 'minimum' scenario reflects base salary, pension and benefits as disclosed in the single figure of total remuneration (i.e. fixed remuneration) which are the only elements of the executive directors' remuneration packages not linked to performance during the year under review.
- The 'mid-point' scenario reflects fixed remuneration as above, plus a target payout of 50% of the maximum annual bonus and 50% vesting for the LTIP.
- The 'maximum' scenario reflects fixed remuneration as above, plus full payout of both the annual bonus and LTIP.
- The 'minimum', 'mid-point' and 'maximum' illustrations are based on initial award value and do not, therefore, reflect potential share price appreciation or any dividend equivalent received over the vesting/deferral periods.
- The 'maximum with 50% share price appreciation' shows the impact of a 50% increase in the value of the LTIP share award from grant; it does not reflect any potential dividends received over the vesting period.
- Annual bonus includes both the cash bonus and the amount of the bonus deferred.



Benefits are based on actual paid in 2021; for Antoine Forterre his 2021 benefits have been annualised.

6.3 Performance measures selection and approach to target-setting

Annual objectives are set according to immediate priorities identified by the Board and management and will be reviewed and adjusted annually to reflect changing priorities. The long-term performance metrics are in line with the long-term strategic focus of the Company and will be reviewed as required in line with any changes in strategic direction. Targets will be set by reference to internal budgets and strategic plans, industry backdrop and external expectations to ensure they represent appropriately stretching levels of performance.

6.4 Differences between executive directors' and employees' remuneration

Executive Committee members participate in an annual bonus scheme with significant levels of deferral, to align their remuneration with the long-term interests of share and fund holders. However, in line with market practice in alternative investment funds, their incentive payouts are uncapped.

Employee remuneration includes base salary, pension (capped at 14% of salary) and benefits (which include private health, subsidised gym membership, the opportunity to participate in charitable activities during working hours and a range of flexible benefits which can be purchased from salary), an annual performance bonus and, for senior contributors, long-term share and fund-based deferrals. The level of deferral increases as total compensation increases. This provides alignment with shareholders and the future performance of the Company and with the interests of investors in funds managed by the Company.

Sales staff have a specific bonus scheme to incentivise appropriate asset raising and retention, whilst aligning interests on costs.

6.5 Approach to recruitment remuneration

External appointment

Approach to recruitment remuneration – Table R23

Component	Approach	Maximum grant value
Base salary	Base salary will be determined to provide competitive total compensation in relation to relevant market practice, experience and skills of the individual, internal relativities and their current compensation.	$1.1 million
Pension	Pension contributions or an equivalent cash supplement will be set in line with existing policy, including any service criteria, in line with other employees.	14% of salary[1]
Benefits	Benefits may include (but are not limited to) private medical insurance, life assurance, permanent health insurance, Group income protection and any necessary relocation expenses.	n/a
Sharesave	New appointees will be eligible to participate in any all-employee share schemes the Company offers.	n/a
Annual bonus	The remuneration structure described in the policy table will apply to new appointees with the relevant maximum being pro-rated to reflect the proportion of employment over the year.	300% of salary
Long-Term Incentive Plan	New appointees may be granted awards under the Long-Term Incentive Plan, on the same terms as other executive directors, as described in the policy table, including in respect of the first part-year of service.	300% of salary

1 The directors' maximum pension contribution is aligned to the maximum available to all employees, currently 14% of salary.

In determining the appropriate remuneration, the Remuneration Committee will take into consideration all relevant factors (including quantum, nature of remuneration and the jurisdiction from which the candidate was recruited) to ensure that arrangements are in the best interests of both Man Group and its shareholders.

With respect to a new appointment, the Remuneration Committee may 'buy out' incentive arrangements, including bonuses, forgone on leaving a previous employer, and awards made under such 'buy out' arrangements may be in addition to the remuneration outlined in the table above. In doing so, the Remuneration Committee will consider relevant factors including any performance conditions attached to those incentive arrangements and the likelihood of those conditions being met. In defining the size of this 'buy out' award, the Remuneration Committee would ensure that its fair value is no higher than the fair value of the incentive arrangements forgone. The Remuneration Committee may also consider it appropriate to structure any such 'buy out' award differently to the structure described in the policy table including whether appropriate performance conditions should apply, exercising the discretion available under the Listing Rules.

The Remuneration Committee does not intend that such 'buy out' awards will be made as a matter of routine; on the contrary, although the Remuneration Committee cannot anticipate every circumstance which it might face in the future, it is expected that any such awards will only be contemplated in exceptional circumstances, will be reviewed and approved by the full Board and described fully in the subsequent year's DRR.

Internal appointment

For the appointment of a new executive director by way of internal promotion, the Remuneration Committee's approach will be consistent with the policy for external appointees detailed above. Where an individual has contractual commitments made prior to their promotion to the Board, the Company will continue to honour these commitments.

Directors' Remuneration report

6. Directors' Remuneration Policy continued

6.6 Service contracts and exit payment policy

Service contracts – Table R24

Element	Condition
Contract dates	Luke Ellis: 1 September 2016
	Antoine Forterre: 1 October 2021
Current appointment	No fixed term
Notice period (by either Company or director)	Luke Ellis: 12 months
	Antoine Forterre: 6 months
	The Company's policy is that notice periods will not exceed 12 months
Provisions for contract termination	Under all contracts the Company can opt to terminate immediately by making a payment in lieu of the notice period or part of it. Luke Ellis' contract requires payment of base salary only in lieu. Antoine Forterre's contract requires payment of base salary plus a cash sum in lieu of pension contributions and other insured benefits. Payments in lieu are to be made in monthly instalments unless the Company and the executive director agree otherwise. Unless the Company decides otherwise, the executive directors have a duty to mitigate their losses arising from termination of their employment in which case any replacement earnings earned in what would otherwise have been the notice period would reduce the obligation on the Company to make payments in lieu.
Annual bonus	The service contracts do not oblige the Company to pay any bonus to executive directors and bonuses are awarded at the Remuneration Committee's discretion. Payment of any bonus is conditional upon the executive director being in employment and not under notice at the payment date, except in certain 'good leaver' circumstances. Where the director is deemed to be a 'good leaver', deferred bonus awards are retained by participants and release would follow the normal vesting schedule (except in the case of death where the Remuneration Committee may allow early vesting). The treatment will be decided by the Committee taking into account the circumstances of the departure including the performance of the executive director. Good leaver reasons include death, retirement on terms agreed with the Company, ill-health, injury or disability and sale of the company or business in which the individual was employed. The Remuneration Committee may also decide, in its discretion, to grant good leaver status in other exceptional circumstances.
Long-Term Incentive Plan	The treatment of long-term awards is governed by the relevant Plan rules, as approved by shareholders. Where an individual's employment terminates, the LTIP rules provide for unvested long-term incentive awards to lapse except as set out below: – Under the LTIP rules, where an individual is deemed to be a 'good leaver', unvested long-term incentive awards will vest at the normal vesting date subject to performance against applicable performance conditions and, unless the Committee determines otherwise, pro-rating for time. Any Committee determination will take into account a number of considerations, in particular performance and other circumstances relating to their termination of employment. – Good leaver reasons include death, retirement, ill-health, injury or disability, redundancy, sale of the company or business in which the individual was employed and cessation of employment on terms agreed with the Company. The Remuneration Committee may also decide, in its discretion, to grant good leaver status in other circumstances and will take into account the reason for leaving and the executive director's performance up to the date employment ceases. Where the post-departure shareholding requirements have not been met at the date of departure, after exit post-vesting holding periods will continue to apply. The treatment in relation to DEIP awards is as set out in the policy approved in 2015. Good leaver reasons in the DEIP are: death, retirement, ill health, injury or disability, redundancy, their office or employment being with either a company which ceases to be a Group Member or relating to a business or part of a business which is transferred to a person who is not a Group Member, cessation with the agreement of their employer provided that such participant has organised and performed an orderly handover procedure to the satisfaction of the Committee, or for any other exceptional reason, if the Committee so decides.

To protect Man Group's business interests, the executive directors' service contracts contain covenants which restrict the executives' ability to solicit or deal with clients and their ability to solicit senior employees. Both directors have also entered into a broader non-compete covenant for an agreed period post termination.

Executive directors' service contracts are available to view at the Company's registered office.

6.7 External appointments

With the approval of the Board in each case, and subject to the overriding requirements of the Company, executive directors may accept a limited number of external appointments as non-executive directors of other companies and retain any fees received. Details of external directorships held by executive directors, including associated fees, are provided in the Directors' Remuneration report for the relevant year.

6.8 Non-executive directors' Remuneration Policy

Non-executive directors have formal letters of appointment. The Chair has a contract with the Company which provides that his appointment is terminable on six months' notice. The letters of appointment of the non-executive directors, except for Richard Berliand and Dev Sanyal, contain a three-month notice period. The letters of appointment of Richard Berliand and Dev Sanyal do not contain any notice provisions or provision for compensation in the event of early termination. It is intended that the letters of appointment of all future non-executive directors will contain a three-month notice period. The Board's policy is to appoint non-executive directors for an initial three-year term, subject to retirement and reappointment by shareholders annually at the AGM, which may be followed by a further three years by mutual agreement. Any further extension will be subject to rigorous review. The initial dates of appointment of the non-executive directors to the Board are shown on pages 72 to 73 of this 2021 Annual Report, and their current fee levels are provided in the DRR on page 122. Non-executive directors are encouraged to build a shareholding in the Company.

Letters of appointment for the non-executive directors are available to view at the Company's registered office.

Details of the policy on fees paid to our non-executive directors are set out in the table below.

Non-executive directors' Remuneration Policy – Table R25

Function	Operation	Opportunity
Fees To attract and retain non-executive directors of the highest calibre and experience relevant to Man Group.	Fees are reviewed annually by the Board at the year-end taking into account market benchmarks for non-executives of companies of similar size and complexity to Man Group with consideration of sector relevance. The Chair's remuneration is recommended by the Remuneration Committee and approved by the Board. Neither the Chair nor the non-executive directors take part in discussions or vote on their own remuneration. Non-executive directors are reimbursed for expenses, such as travel and subsistence costs, incurred in connection with the carrying out of their duties. Any tax costs associated with these benefits are paid by the Company.	Fee levels will take account of any significant change in the scope of the role or time commitment required and are set by reference to an appropriate comparator group. Non-executive directors receive a base fee for Board service, including Nomination Committee membership where appropriate. Additional fees are payable for acting as Senior Independent Director, as a member or Chair of the Audit and Risk or Remuneration Committees or for other responsibilities, including those relating to employee engagement. They do not participate in any share option or share incentive plans.

6.9 Recruitment of non-executive directors

When recruiting a new non-executive director, the Board will utilise the policy as set out in table R25 above. A base fee in line with the prevailing fee schedule would be payable for Board membership, with additional fees payable for acting as Senior Independent Director, as a member or Chair of a Board Committee or for other responsibilities, including those relating to employee engagement.

6.10 Consideration of conditions elsewhere in the Company

In assessing executive director remuneration, internal relativities within the Company are reviewed by the Remuneration Committee. These internal reviews cover the individual elements of base salaries, benefits and total compensation. The Committee has shared with all employees a simple document explaining how the remuneration of the executive directors is determined and how that links to the way in which employees are remunerated. A dedicated email address has been established to provide employees with a quick and easy way to raise any questions with the Remuneration Committee. The Committee has not, however, formally consulted with employees during its review of the Directors' Remuneration Policy.

6.11 Consideration of shareholder views

The Remuneration Committee values engagement with shareholders and their representative bodies and consulted extensively before proposing this policy, on which it will be seeking shareholder approval at the 2022 AGM. The detailed discussions we had with a number of shareholders on the introduction of the ESG metrics and objectives, in particular, were invaluable and have informed our final approach to this important change.

For and on behalf of the Board

Anne Wade
Chair of the Remuneration Committee
28 February 2022