

Terms of Reference

Remuneration Committee
(Effective 6 December 2022)

Terms of Reference of the Remuneration Committee (the “**Committee**”) established as a Committee of the Board of Directors (the “**Board**”) of Man Group plc (the “**Company**”).

Purpose

The Committee supports the Board by performing defined roles covering: remuneration principles, policies and risk management; executive director compensation; employee compensation; Board Chair compensation and shareholder engagement. Specific responsibilities are set out for each of these roles below. The existence of the Committee does not relieve the directors of any of their responsibilities.

Membership and quorum

The Committee shall consist of the Chair of the Board, provided that they were considered to be independent at the time of their appointment as Chair, and at least three independent non-executive directors.

Appointments to the Committee are made by the Board on the recommendation of the Nomination Committee and in consultation with the Chair of the Remuneration Committee and shall be for a period of up to three years, which may be extended for up to two additional three-year periods, provided the director still meets the criteria for membership of the Committee.

The Board shall appoint the Committee Chair who shall be an independent non-executive director who should, under normal circumstances, have served as a member of a remuneration committee for at least 12 months prior to their appointment as Committee Chair. The Chair of the Board may not chair the Committee and may not be counted as one of the three independent non-executive directors mentioned above.

The quorum for meetings shall be two members but, in the absence of a quorum for a particular Committee meeting, the Committee may appoint such other independent non-executive director(s) (to be nominated by the Chair of the Committee) as are required, to act as alternate(s) for those members of the Committee who are unable to attend that meeting.

In the absence of the Chair of the Committee, the remaining members present shall elect one of themselves to chair the meeting.

Meeting formalities

Only members of the Committee have the right to attend Committee meetings. However, the Committee may invite the Chief Executive Officer and the Chief Financial Officer & Chief Operating Officer (who also assumes the role of Chief Risk Officer) to attend meetings as required. Other individuals may be invited to attend for all or part of any meetings, as and when required.

In some circumstances it may be necessary for members to attend meetings by telephone or video conference, which shall be permitted.

The Committee will be supported and advised by Man’s Reward team and the Committee’s external advisors who will attend meetings at the Chair’s discretion. The Committee may request the advice, support and attendance of any other person to assist in its work. The Committee will receive reports from the Audit and Risk Committee as required.

The Committee will have time for private discussion, should it so wish, in the course of each meeting without the presence of any member of the executive management.

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The Company Secretary or their nominee will act as Secretary to the Committee and will ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to the issues.

Frequency and notice of meetings

The Committee will meet at least five times a year and otherwise as required.

Meetings of the Committee shall be called by the Secretary of the Committee at the request of the Committee Chair or any of its members.

Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be sent to each member of the Committee and any other person required to attend no later than five working days before the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees, as appropriate, at the same time. The Committee reserves the right to hold meetings at short notice.

Responsibilities

A primary objective of the Committee is to oversee and provide independent judgement on the Company's remuneration policies and practices and the incentives created for managing risk, capital and liquidity with the aim of ensuring that the Company's remuneration structure is consistent with, and promotes, sound and effective risk management. To that end, the Committee's role is to assess the remuneration governance framework and processes to ensure that reward is appropriately aligned with risk management. The Committee should also ensure that remuneration policies are aligned to the Company's purpose and values and are clearly linked to the successful delivery of the Company's long-term strategy.

The Committee aims to motivate senior management to implement the Company's strategy and ensure that the performance of the Company is sustainable in the long-term and that Man's shareholders are appropriately rewarded for their investment in the Company.

The key principles that underpin the Committee's approach are:

- Remuneration is structured to support corporate strategy and sound risk management;
- Employees' interests are aligned with those of shareholders and the Company's bonus pool is drawn from profits;
- Incentives are designed to encourage behaviour focused on longer-term strategic performance;
- Remuneration arrangements are transparent and avoid undue complexity; and
- Employee remuneration is competitive against the talent markets from which Man hires.

In carrying out the responsibilities listed below, the Committee shall have regard to all relevant legal and regulatory requirements including the principles and provisions of the UK Corporate Governance Code, the UKLA Listing Rules, the Financial Conduct Authority MIFIDPRU Remuneration Code, the Alternative Investment Fund Managers (AIFM) Remuneration Code, the Undertakings for the Collective Investment in Transferable Securities (UCITS) Remuneration Code, together with the Markets in Financial Instruments Directive II (MiFID II) rules on remuneration incentives. It will also take account of leading investor representative body guidelines and feedback from the Company's major shareholders on the operation of the Company's directors' remuneration policy and practice.

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Remuneration principles, policy and risk management

The Committee shall:

- Determine and agree with the Board the Company's remuneration philosophy and the principles and structure of its remuneration policy, ensuring that these support and promote the long-term sustainable success of the Company and are in line with the Company's purpose and values, strategy, objectives, risk appetite and long-term interests, and comply with all regulatory requirements. These will be subject to annual review.
- Review and assess the adequacy of the Company's remuneration practices and proposed compensation awards in relation to the Board's risk appetite statements, the regulatory remuneration principles that apply as well as other relevant guidance with the aim of ensuring that remuneration does not encourage excessive risk-taking, is determined within the Company's risk management and internal control framework and takes account of the Company's business principles, culture and behavioural expectations, and the long-term interests of shareholders, fund investors, employees and other stakeholders.
- Give due regard to the principles of equality and diversity when making compensation recommendations and decisions.
- Consider the UK Corporate Governance Code requirements for clarity, simplicity, risk mitigation, predictability, proportionality and alignment to culture when determining executive director remuneration policy and practice.
- Review and recommend to the Board the Directors' Remuneration Policy and any changes thereto prior to submission to shareholders for approval and to review and recommend to the Board the Directors' Remuneration Report for publication in the Annual Report each year in line with applicable statutory and regulatory disclosure requirements.
- Select, appoint and set the terms of reference for any remuneration consultants used by the Committee and to obtain information on remuneration policy and practice in other comparable companies.

Executive director compensation

The Committee shall:

- Review and recommend to the Board for approval the annual personal objectives for executive directors against which their performance for compensation purposes will be evaluated. No director will participate in the discussion or approval of his or her annual objectives.
- Review the performance evaluations of the executive directors and determine, within the broad remuneration policy and in consultation with the Chair and Chief Executive Officer as appropriate, the total annual compensation for individual executive directors (including salary, annual bonus, deferred awards and pension), whilst retaining the discretion to adjust the formulaic outcome of any incentive arrangement to ensure it appropriately represents underlying performance. No director shall be present during or participate in the discussion or approval of his or her own compensation.
- Approve the design of and determine the performance and vesting criteria attaching to share incentive plans for executive directors prior to recommendation to the Board and, as necessary, submission to shareholders for approval.

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- Review the vesting criteria of share incentive plans for executive directors against the Company's results each year and determine the extent to which these have been achieved.
- Determine the contractual termination terms for executive directors and agree any severance arrangements arising in specific cases, including any retention of unvested incentive awards, in line with the Directors' Remuneration Policy and the rules of applicable executive incentive plans, ensuring that failure is not rewarded and that any duty to mitigate loss is recognised.
- Determine, in line with the Directors' Remuneration Policy and the rules of applicable executive incentive plans, the application of malus and clawback to specific awards or payments made to executive directors.

Employee compensation

The Committee shall:

- Approve the process and methodology for determining the roles deemed to be Remuneration Code Staff under relevant rules and regulations, agree those roles, require that appropriate records of such Remuneration Code Staff roles are maintained and determine when the roles should be reviewed.
- Determine the principles for the calculation of and approve management proposals for the quantum of the Group total variable compensation spend each year.
- Have oversight of the performance evaluations for and review and approve, within the broad remuneration policy, the total annual compensation package for Executive Committee members, the Company Secretary and Remuneration Code Staff (including salary, annual bonus and deferred awards).
- Have oversight of the performance evaluations and compensation proposals for staff whose total compensation exceeds USD \$1,000,000.
- Approve compensation guarantees above a level delegated to management as agreed by the Committee from time to time.
- Review workforce remuneration and related policies and the alignment of incentives and rewards with culture, taking these into account when setting the policy for executive director remuneration.
- Explain to the workforce how executive remuneration aligns with wider Company pay policy.
- Review and approve the terms of deferred bonus plans (share, fund product and cash) for staff.

Board Chair compensation

The Committee shall recommend to the Board for approval the total compensation for the Chair of the Board, taking account of the time commitment and responsibilities of the role. The remuneration of the non-executive directors shall be a matter for the Chair and the executive directors of the Board. The Chair, if they are a member of the Committee, shall not be present during or participate in the discussion or recommendation of their own compensation.

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Shareholder engagement

The Committee shall review feedback from shareholders and proxy voting agencies on the Directors' Remuneration Policy and Remuneration Report and agree and oversee the Company's ongoing engagement with investors and proxy voting agencies on remuneration issues.

The Committee Chair should attend the Annual General Meeting to answer any shareholder questions on the Committee's activities. In addition, the Committee Chair should seek engagement with shareholders on significant matters related to the Committee's areas of responsibility.

Reporting procedures

The Secretary of the Committee shall circulate the minutes of Committee meetings to the Committee and all other members of the Board where appropriate.

Following each meeting, the Chair of the Committee shall report to the Board on the proceedings of the meeting.

The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

The Committee shall provide a description of its work in the annual report in line with the requirements of the UK Corporate Governance Code and all applicable legislation and shall ensure that a report on the Directors' Remuneration Policy and practices is included in the annual report and put to shareholders for approval at the Annual General Meeting as necessary.

Governance

The Committee may delegate certain authorities as it deems appropriate to the Chair of the Committee or to a sub-committee consisting of the Chair of the Committee plus one other member or, if the Chair of the Committee is unavailable, the Chair of the Board plus one other Committee member.

The Committee shall conduct an annual review of its effectiveness and consider any recommended changes for approval.

The Committee shall review these Terms of Reference on an annual basis and may recommend to the Board any changes it considers necessary.

The Committee shall be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members to support the continuing development of the knowledge, skills and expertise they require to discharge their role.

The Committee shall work and liaise as necessary with other Board Committees, ensuring the interaction between Committees and with the Board is reviewed regularly.

Authority

The Committee is authorised by the Board to obtain, at the Company's expense, outside legal or other professional advice on any matters within its terms of reference.



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The Committee shall have access to sufficient resources in order to carry out its duties, including access to the company secretariat for advice and assistance as required.