

15 February 2024

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

## LEADERSHIP UPDATE

On 25 October 2023, Magellan Financial Group Ltd ("**Magellan**") announced changes to its leadership team which included the appointment of Mr. Andrew Formica as Executive Chairman of Magellan and the departure of Magellan's then Chief Executive Officer & Managing Director.

The Board of Magellan is pleased to announce the expansion of the executive team and expertise in the business through the appointment of Ms. Sophia Rahmani to the transitional role of Managing Director of Magellan's main operating subsidiary, Magellan Asset Management Limited ("**MAM**"). With a view to maintaining stability and continuity, the Board has asked Mr Formica to remain as Executive Chairman of Magellan. The Board intends to appoint Ms. Rahmani as Chief Executive Officer of Magellan within 12 months of her commencement, at which time it is intended that Mr. Formica would revert to Non-Executive Chairman of Magellan.

The Board believes that this approach, that combines Mr Formica's strong aptitude for the strategic development of the business with Ms. Rahmani's substantial experience in running investment management businesses, to be the most appropriate leadership structure for the business at this juncture. This approach provides continuity and stability for Magellan's shareholders, clients and staff, which is paramount for the business and allows for a smooth and unified transition to the longer-term structure.

Since Mr. Formica's appointment as Executive Chairman, Magellan has seen improved stability within the business and with clients and wider stakeholders. This has resulted from Mr. Formica implementing and progressing a number of initiatives as Executive Chairman, including addressing the Employee Share Purchase Plan Loans for employees, outlining Magellan's broad strategic vision at its 2023 Annual General Meeting, engaging with clients, proxy advisors and shareholders, and orchestrating the acquisition of Magellan Global Fund (Closed Class) Options which sought to remove potential future instability in the business. Changes in the leadership of the Global investment team and our North American business have also been enacted under his leadership.

As Managing Director of MAM, Ms. Rahmani will have overall responsibility for the operations of Magellan's main operating subsidiary and its activities, including direct oversight of the investment, distribution, information technology, human resources, risk and compliance functions. Ms. Rahmani will report to the Executive Chairman of Magellan, Mr. Formica, and upon the commencement of her role she will also join the board of MAM.

Ms. Rahmani brings to this role a deep understanding of listed equities asset management businesses, having previously held the position of Chief Executive Officer and Managing Director at Maple-Brown Abbott since 2019. Prior to Maple-Brown Abbott, Ms. Rahmani was the Chief Operating Officer, Pan Asia, for Janus Henderson Investors based in Singapore, having previously been with Henderson Global Investors as Chief Operating Officer, Australia, from 2013. Earlier in her career, Ms.

Rahmani spent eight years across Sydney, New York and Philadelphia with Macquarie Group, principally in its asset management division.

Mr. Hamish McLennan, Deputy Chairman of Magellan and Lead Independent Director, said: "Having carefully reviewed Magellan's leadership structure and completed a comprehensive CEO search process, we are delighted to welcome Sophia to the business and consider the transitional leadership structure will best position Sophia and the business for success for this new phase. It allows us to build on recent progress to reset the business for growth, while ensuring we maintain the stability Andrew's appointment has provided. We thank Andrew for agreeing to continue as Executive Chairman during this period."

Mr. Formica, Executive Chairman of Magellan, said: "I am pleased to continue as Executive Chairman of Magellan to build upon recent progress the business has made and turn my attention to attractive opportunities for growth whilst supporting Sophia in her new role and beyond. I am truly excited to be working with Sophia given the strategic, commercial, and operational expertise she has cultivated over her career."

Commenting on her appointment, Ms. Rahmani said: "I am excited to be joining Magellan, a fund manager I have admired for its focus on clients and strong historical investment performance. I look forward to working with Andrew and the Magellan team to deliver excellence in all aspects of the business."

A summary of the material terms of Ms. Rahmani's employment agreement is annexed to this announcement.

Ms. Rahmani will commence as Managing Director of MAM in May 2024.

Authorised by

The Board of Magellan Financial Group Limited

**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 \$36.3 billion of funds under management at 31 January 2024 across its global equities, global listed infrastructure and Australian equities strategies for retail, high net worth and institutional investors and employs approximately 104 staff globally. Further information can be obtained from [www.magellangroup.com.au](http://www.magellangroup.com.au).

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## APPENDIX - Material Terms of Executive Employment Agreement

A summary of the material terms of Ms. Rahmani's Executive Employment Agreement ("**Agreement**") is set out below:

<b>Employing Entity:</b>	Magellan Asset Management Limited ( <i>MAM</i> ).
<b>Appointment:</b>	Ms. Rahmani is appointed to the role of Managing Director of MAM.
<b>Term:</b>	Ms. Rahmani will commence on a date to be agreed but which will be no later than 1 August 2024 ( <i>Commencement Date</i> ) with a target Commencement Date in May 2024. The Agreement will continue indefinitely until terminated by either party in accordance with the termination provisions of the Agreement.
<b>Base Salary:</b>	\$850,000 per annum (inclusive of superannuation).
<b>Signing Bonus:</b>	<p>A signing bonus of \$700,000 will be payable as follows:</p> <ul style="list-style-type: none"> <li>\$350,000, payable within 7 business days of the Commencement Date; and</li> <li>\$350,000, payable within 7 business days after the 6-month anniversary of the Commencement Date.</li> </ul>
<b>Forfeited Award Bonus:</b>	<p>To compensate Ms. Rahmani for the loss of incentive opportunities from her former employer, she will be entitled to receive a Forfeited Award Bonus comprising an issuance of Magellan Financial Group Ltd (<i>MFG</i>) shares with a total value of \$2,500,000. The MFG shares are to be issued under the Group's Long-Term Incentive Plan (<i>LTI Plan</i>), subject to MFG obtaining the LTI Plan Approvals<sup>1</sup>. The number of MFG shares to be issued will be determined by dividing the value of the Forfeited Award Bonus by the 5-day VWAP for the period immediately preceding the Commencement Date.</p> <p>The MFG shares will vest on 31 December 2026 (<i>Vesting Date</i>). Should the LTI Plan Approvals<sup>1</sup> not be obtained, a cash amount equivalent to the Forfeited Award Bonus will be paid to the Executive within 7 days of the Vesting Date.</p> <p>The Forfeited Award Bonus will vest or be paid (as applicable) upon the Vesting Date provided that Ms. Rahmani:</p> <ul style="list-style-type: none"> <li>has not ceased to be employed on or before 31 December 2025 due to her resignation; and</li> <li>has not ceased to be employed on or before 31 December 2025 in circumstances where she has been terminated for cause.</li> </ul>
<b>Short-Term Incentive:</b>	<p>In respect of each financial year, Ms. Rahmani may be eligible to receive Short-Term Incentive Payments (<i>STI Payments</i>) up to 100% of Ms. Rahmani's Base Salary for the financial year. The STI Payment in respect of a financial year shall be assessed and determined having regard to the STI Payment criteria determined by the Board.</p> <p>On an annual basis the Board, in consultation with Ms. Rahmani, will review the STI Payment criteria and shall agree the STI Payment criteria that will apply for the forthcoming financial year.</p>
<b>Long-Term Incentive:</b>	Ms. Rahmani will be eligible to participate in the Group's LTI Plan, subject to MFG obtaining the LTI Plan Approvals <sup>1</sup> . The maximum value of any award received by Ms. Rahmani under the LTI Plan in respect of each financial year will be up to 100% of her Base Salary for that

	<p>financial year. Participation in the LTI Plan shall be at the discretion of MAM and will be governed by the terms of the LTI Plan.</p> <p>It is intended that Ms. Rahmani will be granted, on a date to be determined between August and November 2024, rights in respect of such number of MFG shares under the LTI Plan equivalent to \$850,000, subject to MFG obtaining the LTI Plan Approvals<sup>1</sup>. The total number of MFG shares that would vest would be determined by reference to the extent of the achievement of the LTI target(s) set under the LTI Plan. Should one or more of the LTI Plan Approvals<sup>1</sup> not be obtained and having regard to the extent of the achievement of the LTI target(s) set under the proposed LTI Plan, a cash amount of up to \$850,000 would be paid on the same date(s) as the vesting date(s) specified in the terms of the proposed LTI Plan.</p>
<p><b>Change of control event:</b></p>	<p>If a change of control event occurs the Board retains the discretion to:</p> <ul style="list-style-type: none"> <li>• determine any STI Payment in respect of a particular financial year, having regard to the STI Payment terms and criteria, and make this payment to Ms. Rahmani on a pro-rata basis; and</li> <li>• accelerate vesting of part or all of Ms. Rahmani's MFG share entitlements under the LTI Plan or, in the event that one or more of the LTI Plan Approvals<sup>1</sup> are not obtained, make a cash payment to Ms. Rahmani equivalent to the value of the all or part of the MFG shares.</li> </ul> <p>The Board does not intend on exercising this discretion where Ms. Rahmani has given notice of the termination or where her employment has been terminated summarily.</p>
<p><b>Review of remuneration Package:</b></p>	<p>All arrangements relating to Ms. Rahmani's remuneration package, including Base Salary, STI Payments and LTI Plan Payments shall be reviewed by the Board on an annual basis. Should Ms. Rahmani's role change this would trigger a review of her remuneration package. An increase to any element of Ms. Rahmani's remuneration package is not an automatic consequence of a review of her remuneration package.</p>
<p><b>Termination:</b></p>	<p>MAM may terminate Ms. Rahmani's employment on 6 months' notice or at any time and without notice for certain prescribed events. Ms. Rahmani may terminate her employment on 6 months' notice.</p>
<p><b>Post employment restraints:</b></p>	<p>For a period of 12 months following the termination of her employment Ms. Rahmani will be restricted from: competing with Magellan; soliciting or inducing the Group's clients; soliciting or inducing the Group's employees to terminate their employment; and interfering with the Group's relationships with its suppliers, clients, investors and employees.</p>

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<sup>1</sup> "LTI Plan Approvals" means any regulatory and MFG shareholder approvals required under the Corporations Act 2001 (Cth), the ASX Listing Rules and the Constitution of MFG in respect of the LTI Plan and the grant of rights or securities to Ms. Rahmani under the LTI Plan.