

Man Statement of Remuneration Principles

Introduction: Remuneration as a business driver

Recognising that remuneration is a critical component of business success, it is appropriate for the Man Group Remuneration Committee to define the Company's objectives when making remuneration decisions for Man Group plc ('the Company'). Our objective is to motivate senior management to implement company strategy supported by best practice governance and within a robust risk management control framework so that the performance of the Company is sustainable over the long-term and our shareholders are appropriately rewarded for their investment in the Company. Put simply, we aim to have the best people making the best decisions for our investors, shareholders and other stakeholders.

The key principles that underpin our approach are:

- Remuneration is structured to support corporate strategy and sound risk management;
- Staff interests are aligned with those of shareholders and our bonus pool is drawn from profits;
- Incentives encourage behaviour focused on longer-term strategic and sustainable performance; and
- Our total remuneration is competitive in the talent markets from which we hire.

An overview of each of these principles follows below.

Remuneration is structured to support Company strategy and risk management

Robust risk management is a fundamental feature of our business. Deferring variable performance related compensation into shares and funds is a critical element in managing risk as it exposes staff remuneration to the same risks as those faced by our shareholders and fund investors.

Our Risk and Compliance functions report via the Audit and Risk Committee to the Remuneration Committee any issues to be taken into account in making remuneration decisions including their review of judgemental accounting and risk items used by the Remuneration Committee in considering the bonus pool. Individual awards are assessed having taken into account current and potential risks and the timing of receiving potential future revenues.

The Remuneration Committee is focused on a targeted and appropriate compensation policy having regard to business strategy, financial performance, risk management, regulation, governance and the competitive markets in which the Company operates. It reviews whether aggregate compensation costs are balanced so that the Company remains successful, attracts and retains high calibre individuals, performs for investors and delivers shareholder value.

The Remuneration Committee assesses the governance framework and processes such that reward is aligned with risk management.

Staff interests are aligned with those of shareholders and our bonus pool is drawn from profits

The Company bonus pool is based on profitability with bonus levels set at the Remuneration Committee's discretion according to business conditions, with variable remuneration not limiting the Company's ability to strengthen its capital base. The GLG investment managers are remunerated linked to the performance and contribution of their investment area.



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Incentives encourage behaviour focused on longer-term strategic and sustainable performance

Remuneration packages at Man Group include some, or all, of the following elements: salary, annual performance bonus, marketing incentives and deferred share and fund awards, as well as pension, medical insurance and other non-cash benefits.

We aim to balance remuneration for delivering operational results over the short-term with remuneration for creating sustained long-term value for shareholders supported by risk controls and governance.

A key mechanism for linking short and long-term performance is our bonus deferral arrangement. Bonus awards are determined by the annual performance of the Company, the team and the individual. A significant portion of the award for senior staff is deferred into Company shares, so that they build up a significant investment in Man Group shares, thereby encouraging them to think and behave like long-term shareholders. Deferral may also be into funds to align senior staff with our investors and hence our shareholders. The deferral arrangement allows flexibility in the mix between short-and long-term focus as appropriate for staff at different levels in the Company.

In addition to the deferral of annual bonus, the executive directors participate in a Performance Share Plan (PSP) and an Executive Share Option Scheme (ESOS). The PSP and ESOS are also subject to long-term performance conditions regarding the growth and returns of the Company.

All share awards are conditional and subject to forfeiture if an individual resigns or employment is terminated for misconduct.

Our total remuneration is competitive in the talent markets from which we hire

The sustainability of our business depends on the long-term commitment of talented individuals of the very highest calibre in the alternative investment sector.

In understanding our remuneration policy, it is important to note that Man Group is in a unique situation. There are few companies of comparable size in our sector and even fewer which are publicly quoted and subject to the same level of transparency and public scrutiny. Benchmarking and formulaic remuneration approaches alone fail to reflect the complexity of our business and the diversity of professional roles within our workforce. Available market data is used to inform but not override our decisions in relation to remuneration, so that we create sustained long-term value for shareholders.

Our remuneration programme must incorporate flexibility to use different performance measures within various parts of the Company. Consequently, while all incentive payments are determined and limited by the Company's performance, we maintain the flexibility to make awards to staff which reflect their individual and team contributions.

Summary

Our approach is intended to be equitable and robust in variable business conditions and time-spans. As performance measurement and remuneration design continue to evolve we will keep these principles under continuous review to so that we are aligned with best practice and regulation. We remain open to continuing dialogue with our shareholders.