
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2022
OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Commission file number: 001-35355

MANNING & NAPIER, INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

290 Woodcliff Drive
Fairport, New York
(Address of principal executive offices)

45-2609100
(I.R.S. Employer
Identification No.)

14450
(Zip Code)

(585) 325-6880

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Class A common stock, \$0.01 par value per share	MN	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act:

Large accelerated filer	<input type="checkbox"/>	Accelerated Filer	<input checked="" type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date.

<u>Class</u>	<u>Outstanding at May 5, 2022</u>
Class A common stock, \$0.01 par value per share	19,124,332

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In this Quarterly Report on Form 10-Q, "we", "our", "us", the "Company", "Manning & Napier" and the "Registrant" refers to Manning & Napier, Inc. and, unless the context otherwise requires, its consolidated direct and indirect subsidiaries and predecessors.

PART I—FINANCIAL INFORMATION

Item 1. Financial Statements

Manning & Napier, Inc.
Consolidated Statements of Financial Condition
(U.S. dollars in thousands, except share data)

	March 31, 2022 (unaudited)	December 31, 2021
Assets		
Cash and cash equivalents	\$ 51,738	\$ 73,489
Accounts receivable	11,140	13,851
Investment securities	37,020	24,608
Prepaid expenses and other assets	17,791	17,147
Total current assets	<u>117,689</u>	<u>129,095</u>
Property and equipment, net	2,177	2,109
Operating lease right-of-use assets	12,999	14,457
Net deferred tax assets, non-current	17,875	17,859
Goodwill	4,829	4,829
Other long-term assets	2,999	3,074
Total assets	<u>\$ 158,568</u>	<u>\$ 171,423</u>
Liabilities		
Accounts payable	\$ 1,909	\$ 1,791
Accrued expenses and other liabilities	25,988	36,388
Deferred revenue	12,945	12,963
Total current liabilities	<u>40,842</u>	<u>51,142</u>
Operating lease liabilities, non-current	12,708	14,226
Amounts payable under tax receivable agreement, non-current	13,499	13,499
Other long-term liabilities	148	155
Total liabilities	<u>67,197</u>	<u>79,022</u>
Commitments and contingencies (Note 9)		
Shareholders' equity		
Class A common stock, \$0.01 par value; 300,000,000 shares authorized; 19,873,337 and 19,124,332 shares issued and outstanding at March 31, 2022, 19,503,085 and 18,754,080 shares issued and outstanding at December 31, 2021	199	195
Treasury stock, at cost, 749,005 shares at March 31, 2022 and December 31, 2021	(5,666)	(5,666)
Additional paid-in capital	103,567	104,740
Retained deficit	(5,339)	(5,569)
Accumulated other comprehensive loss	(428)	(337)
Total shareholders' equity	<u>92,333</u>	<u>93,363</u>
Noncontrolling interests	(962)	(962)
Total shareholders' equity and noncontrolling interests	<u>91,371</u>	<u>92,401</u>
Total liabilities, shareholders' equity and noncontrolling interests	<u>\$ 158,568</u>	<u>\$ 171,423</u>

The accompanying notes are an integral part of these consolidated financial statements.

Manning & Napier, Inc.
Consolidated Statements of Operations
(U.S. dollars in thousands, except share data)
(Unaudited)

	Three months ended March 31,	
	2022	2021
Revenues		
Investment management fees	\$ 30,827	\$ 29,676
Distribution and shareholder servicing	2,082	2,153
Custodial services	1,677	1,645
Other revenue	963	677
Total revenue	35,549	34,151
Expenses		
Compensation and related costs	20,707	18,874
Distribution, servicing and custody expenses	2,280	2,358
Other operating costs	11,477	6,710
Total operating expenses	34,464	27,942
Operating income	1,085	6,209
Non-operating income (loss)		
Interest expense	(1)	(2)
Interest and dividend income	40	123
Net gains (losses) on investments	(646)	337
Total non-operating income (loss)	(607)	458
Income before provision for (benefit from) income taxes	478	6,667
Provision for (benefit from) income taxes	(746)	703
Net income attributable to controlling and noncontrolling interests	1,224	5,964
Less: net income attributable to noncontrolling interests	38	724
Net income attributable to Manning & Napier, Inc.	\$ 1,186	\$ 5,240
Net income per share available to Class A common stock		
Basic	\$ 0.06	\$ 0.31
Diluted	\$ 0.06	\$ 0.26
Weighted average shares of Class A common stock outstanding		
Basic	18,988,573	17,026,500
Diluted	21,551,937	20,273,343

The accompanying notes are an integral part of these consolidated financial statements.

Manning & Napier, Inc.
Consolidated Statements of Comprehensive Income
(U.S. dollars in thousands)
(Unaudited)

	Three months ended March 31,	
	2022	2021
Net income attributable to controlling and noncontrolling interests	\$ 1,224	\$ 5,964
Net unrealized holding gains (losses) on investment securities, net of tax	(93)	8
Reclassification adjustment for net realized losses on investment securities included in net income	9	97
Comprehensive income	\$ 1,140	\$ 6,069
Less: Comprehensive income attributable to noncontrolling interests	45	822
Comprehensive income attributable to Manning & Napier, Inc.	<u>\$ 1,095</u>	<u>\$ 5,247</u>

The accompanying notes are an integral part of these consolidated financial statements.

Manning & Napier, Inc.
Consolidated Statements of Shareholders' Equity
(U.S. dollars in thousands, except share data)
(Unaudited)

	Common Stock – Class A		Treasury Stock		Additional Paid in Capital	Retained Deficit	Accumulated Other Comprehensive Income (Loss)	Non Controlling Interests	Total
	Shares	Amount	Shares	Amount					
Three months ended March 31, 2022									
Balance—December 31, 2021	18,754,080	\$ 195	749,005	\$ (5,666)	\$ 104,740	\$ (5,569)	\$ (337)	\$ (962)	\$ 92,401
Net income	—	—	—	—	—	1,186	—	38	1,224
Distributions to noncontrolling interests	—	—	—	—	—	—	—	(45)	(45)
Net changes in unrealized investment securities gains or losses	—	—	—	—	—	—	(91)	(2)	(93)
Common stock issued under equity compensation plan, net of forfeitures	370,252	4	—	—	(4)	—	—	—	—
Shares withheld to satisfy tax withholding requirements related to equity awards	—	—	—	—	(1,640)	—	—	(38)	(1,678)
Equity-based compensation	—	—	—	—	506	—	—	12	518
Dividends declared on Class A common stock - \$0.05 per share	—	—	—	—	—	(956)	—	—	(956)
Impact of changes in ownership of Manning & Napier Group, LLC (Note 4)	—	—	—	—	(35)	—	—	35	—
Balance—March 31, 2022	<u>19,124,332</u>	<u>\$ 199</u>	<u>749,005</u>	<u>\$ (5,666)</u>	<u>\$ 103,567</u>	<u>\$ (5,339)</u>	<u>\$ (428)</u>	<u>\$ (962)</u>	<u>\$ 91,371</u>

	Common Stock – Class A		Treasury Stock		Additional Paid in Capital	Retained Deficit	Accumulated Other Comprehensive Income (Loss)	Non Controlling Interests	Total
	Shares	Amount	Shares	Amount					
Three months ended March 31, 2021									
Balance—December 31, 2020	16,989,943	\$ 170	\$ —	\$ —	\$ 111,848	\$(28,826)	\$ (235)	\$ (7,200)	\$ 75,757
Net income	—	—	—	—	—	5,240	—	724	5,964
Distributions to noncontrolling interests	—	—	—	—	—	—	—	(295)	(295)
Net changes in unrealized investment securities gains or losses	—	—	—	—	—	—	7	1	8
Common stock issued under equity compensation plan, net of forfeitures	433,259	4	—	—	(4)	—	—	—	—
Shares withheld to satisfy tax withholding requirements related to equity awards	—	—	—	—	(2,582)	—	—	(322)	(2,904)
Equity-based compensation	—	—	—	—	1,091	—	—	136	1,227
Purchases of treasury stock	(412,405)	—	412,405	(2,987)	—	—	—	—	(2,987)
Impact of changes in ownership of Manning & Napier Group, LLC	—	—	—	—	(171)	—	—	171	—
Balance—March 31, 2021	<u>17,010,797</u>	<u>\$ 174</u>	<u>412,405</u>	<u>\$ (2,987)</u>	<u>\$ 110,182</u>	<u>\$(23,586)</u>	<u>\$ (228)</u>	<u>\$ (6,785)</u>	<u>\$ 76,770</u>

The accompanying notes are an integral part of these consolidated financial statements.

Manning & Napier, Inc.
Consolidated Statements of Cash Flows
(U.S. dollars in thousands)
(Unaudited)

	Three months ended March 31,	
	2022	2021
Cash flows from operating activities:		
Net income attributable to controlling and noncontrolling interests	\$ 1,224	\$ 5,964
Adjustment to reconcile net income to net cash provided by operating activities:		
Equity-based compensation	518	1,227
Depreciation and amortization	2,620	436
Impairment of long-lived assets	430	—
Net losses (gains) on investment securities	646	(337)
Deferred income taxes	(16)	756
(Increase) decrease in operating assets and increase (decrease) in operating liabilities:		
Accounts receivable	2,712	1,139
Prepaid expenses and other assets	(2,992)	(2,089)
Other long-term assets	565	627
Accounts payable	118	484
Accrued expenses and other liabilities	(10,455)	(13,868)
Deferred revenue	(18)	640
Other long-term liabilities	(941)	(706)
Net cash used in operating activities	<u>(5,589)</u>	<u>(5,727)</u>
Cash flows from investing activities:		
Purchase of property and equipment	(313)	(2)
Sale of investments	6,373	4,001
Purchase of investments	(20,240)	(4,063)
Proceeds from maturity of investments	715	—
Net cash used in investing activities	<u>(13,465)</u>	<u>(64)</u>
Cash flows from financing activities:		
Distributions to noncontrolling interests	(45)	(295)
Dividends paid on Class A common stock	(956)	—
Payment of shares withheld to satisfy withholding requirements	(1,678)	(3,349)
Purchases of treasury stock	—	(2,987)
Payment of capital lease obligations	(18)	(18)
Net cash used in financing activities	<u>(2,697)</u>	<u>(6,649)</u>
Net decrease in cash and cash equivalents	(21,751)	(12,440)
Cash and cash equivalents:		
Beginning of period	73,489	57,635
End of period	<u>\$ 51,738</u>	<u>\$ 45,195</u>

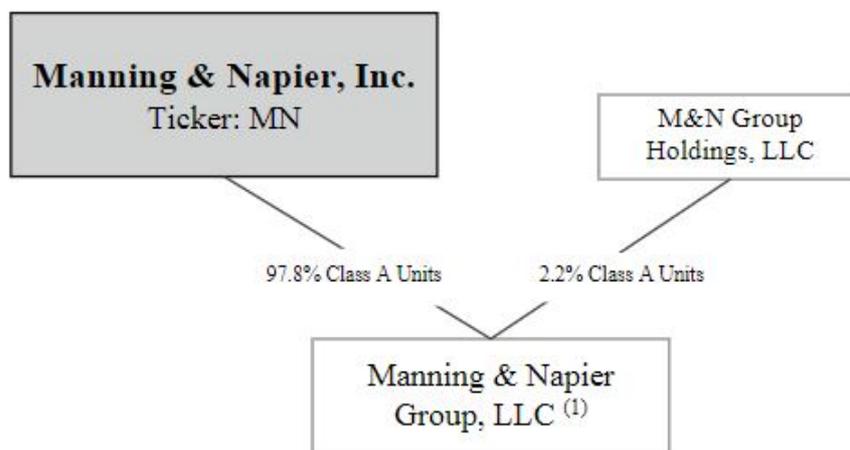
The accompanying notes are an integral part of these consolidated financial statements.

Manning & Napier, Inc.
Notes to Consolidated Financial Statements

Note 1—Organization and Nature of the Business

Manning & Napier, Inc. ("Manning & Napier" or the "Company") is an independent investment management firm that provides our clients with a broad range of financial solutions and investment strategies. Founded in 1970 and headquartered in Fairport, NY, the Company serves a diversified client base of high-net-worth individuals and institutions, including 401(k) plans, pension plans, Taft-Hartley plans, endowments and foundations. The Company's investment strategies offer equity, fixed income and a range of blended asset portfolios, including life cycle funds.

The Company was incorporated in 2011 as a Delaware corporation, and is the sole managing member of Manning & Napier Group, LLC and its subsidiaries ("Manning & Napier Group"), a holding company for the investment management businesses conducted by its operating subsidiaries. The diagram below depicts the Company's organizational structure as of March 31, 2022.



(1) The consolidated operating subsidiaries of Manning & Napier Group include Manning & Napier Advisors, LLC ("MNA"), Manning & Napier Investor Services, Inc., Exeter Trust Company and Rainier Investment Management, LLC ("Rainier").

Plan of Acquisition by Callodine Group, LLC.

On March 31, 2022, the Company entered into an agreement (the "Merger Agreement") under which the Company will go private and be acquired by Callodine Group, LLC ("Callodine"), with the Company continuing as the surviving corporation (the "Merger").

Pursuant to the Merger Agreement, each outstanding share of common stock of the Company and Manning & Napier Group Holdings outstanding units will be converted into the right to receive from Callodine \$12.85 in cash. The proposed acquisition is expected to close in the third quarter of 2022, contingent upon shareholder approval and other customary closing conditions.

Note 2—Summary of Significant Accounting Policies

Critical Accounting Policies

The Company's critical accounting policies and estimates are disclosed in its Annual Report on Form 10-K for the year ended December 31, 2021. The Company believes that the disclosures herein are adequate so that the information presented is not misleading; however, these financial statements should be read in conjunction with the financial statements and the notes thereto in the Company's Annual Report on Form 10-K for the year ended December 31, 2021. The financial data for the interim periods may not necessarily be indicative of results for future interim periods or for the full year.

Basis of Presentation

The accompanying unaudited consolidated financial statements were prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") and related rules and regulations of the U.S. Securities and

Exchange Commission ("SEC") for interim financial reporting and include all adjustments, consisting only of normal recurring adjustments which are, in the opinion of management, necessary for a fair statement of the results for the interim period.

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates or assumptions that affect the reported amounts and disclosures in the consolidated financial statements. Actual results could differ from these estimates or assumptions.

Principles of Consolidation

The Company consolidates all majority-owned subsidiaries. As of March 31, 2022, Manning & Napier holds an economic interest of approximately 97.8% in Manning & Napier Group and, as managing member, controls all of the business and affairs of Manning & Napier Group. As a result, the Company consolidates the financial results of Manning & Napier Group and records a noncontrolling interest on its consolidated statements of financial condition with respect to the remaining economic interest in Manning & Napier Group held by M&N Group Holdings.

All material intercompany transactions have been eliminated in consolidation.

In accordance with Accounting Standards Update ("ASU") 2015-02, *Consolidation (Topic 810) – Amendments to the Consolidation Analysis*, the determination of whether a company is required to consolidate an entity is based on, among other things, an entity's purpose and design, a company's ability to direct the activities of the entity that most significantly impact the entity's economic performance, and whether a company is obligated to absorb losses or receive benefits that could potentially be significant to the entity. The standard also requires ongoing assessments of whether a company is the primary beneficiary of a variable interest entity ("VIE"). When utilizing the voting interest entity ("VOE") model, controlling financial interest is generally defined as majority ownership of voting interests.

The Company provides seed capital to its investment teams to develop new strategies and services for its clients. The original seed investment may be held in a separately managed account, comprised solely of the Company's investments or within a mutual fund, where the Company's investments may represent all or only a portion of the total equity investment in the mutual fund. Pursuant to U.S. GAAP, the Company evaluates its investments in mutual funds on a regular basis and consolidates such mutual funds for which it holds a controlling financial interest. When no longer deemed to hold a controlling financial interest, the Company would deconsolidate the fund and classify the remaining investment as either an equity method investment, equity investments, at fair value, or as trading securities, as applicable. As of March 31, 2022 and December 31, 2021, the Company did not have investments classified as an equity method investment.

The Company serves as the investment adviser for Manning & Napier Fund, Inc. series of mutual funds (the "Fund"), Exeter Trust Company Collective Investment Trusts ("CIT") and Rainier Multiple Investment Trust. The Fund, CIT and Rainier Multiple Investment Trust are legal entities, the business and affairs of which are managed by their respective boards of directors. As a result, each of these entities is a VOE. The Company holds, in limited cases, direct investments in a mutual fund (which are made on the same terms as are available to other investors) and consolidates each of these entities where it has a controlling financial interest or a majority voting interest. The Company's investments in the Fund amounted to approximately \$14.9 million as of March 31, 2022 and \$1.1 million as of December 31, 2021. As of March 31, 2022 and December 31, 2021, the Company did not have a controlling financial interest in any mutual fund.

Revenue

Investment Management: Investment management fees are computed as a percentage of assets under management ("AUM"). The Company's performance obligation is a series of services that form part of a single performance obligation satisfied over time.

Separately managed accounts are paid in advance, typically for a semi-annual or quarterly period, or in arrears, typically for a monthly or quarterly period. When investment management fees are paid in advance, the Company defers the revenue as a contract liability and recognizes it over the applicable period. When investment management fees are paid in arrears, the Company estimates revenue and records a contract asset (accrued accounts receivable) based on AUM as of the most recent month end date.

Mutual funds and collective investment trust investment management revenue is calculated and earned daily based on AUM. Revenue is presented net of cash rebates and fees waived pursuant to contractual expense limitations of the funds. The Company also has agreements with third parties who provide recordkeeping and administrative services for employee benefit plans participating in the collective investment trusts. The Company is acting as an agent on behalf of the employee benefit plan sponsors, therefore, investment management revenue is recorded net of fees paid to third party service providers.

Distribution and shareholder servicing: The Company receives distribution and servicing fees for providing services to its affiliated mutual funds. Revenue is computed and earned daily based on a percentage of AUM. The performance obligation is a series of services that form part of a single performance obligation satisfied over time. The Company has agreements with third parties who provide distribution and administrative services for its mutual funds. The agreements are evaluated to determine

whether revenue should be reported gross or net of payments to third-party service providers. The Company controls the services provided and acts as a principal in the relationship. Therefore, distribution and shareholder servicing revenue is recorded gross of fees paid to third parties.

Custodial services: Custodial service fees are calculated as a percentage of the client's market value with additional fees charged for certain transactions. For the safeguarding and administrative services that are subject to a percentage of market value fee, the Company's performance obligation is a series of services that form part of a single performance obligation satisfied over time. Revenue for transactions assigned a stand-alone selling price is recognized in the period in which the transaction is executed. Custodial service fees are billed monthly in arrears. The Company has agreements with third parties who provide safeguarding, recordkeeping and administrative services for their clients. The Company controls the services provided and acts as a principal in the relationship. Therefore, custodial service revenue is recorded gross of fees paid to third parties.

Cash and Cash Equivalents

The Company generally considers all highly liquid investments with original maturities of three months or less to be cash equivalents. Cash and cash equivalents are primarily held in operating accounts at major financial institutions and also in money market securities. Cash equivalents are stated at cost, which approximates market value due to the short-term maturity of these investments. The fair value of cash equivalents has been classified as Level 1 in accordance with the fair value hierarchy.

Investment Securities

Investment securities are classified as either equity investments, trading, equity method investments or available-for-sale and are carried at fair value. Fair value is determined based on quoted market prices in active markets for identical or similar instruments.

Investment securities classified as equity investments, at fair value consist of equity securities and investments in mutual funds for which the Company provides advisory services. Realized and unrealized gains and losses on equity investments, at fair value or trading securities, as applicable, are recorded in net gains (losses) on investments in the consolidated statements of operations.

Investment securities classified as available-for-sale consist of U.S. Treasury securities and corporate bonds. Unrealized gains and losses on available-for-sale securities are excluded from earnings and are reported, net of deferred income tax, as a separate component of accumulated other comprehensive income in shareholders' equity until realized. The Company periodically reviews each individual security position that has an unrealized loss, or impairment, to determine if that impairment is other-than-temporary. If impairment is determined to be other-than-temporary, the carrying value of the security will be written down to fair value and the loss will be recognized in earnings. Realized gains and losses on sales of available-for-sale securities are computed on a specific identification basis and are recorded in net gains (losses) on investments in the consolidated statements of operations.

Property, Equipment, Software and Depreciation

Property and equipment is presented net of accumulated depreciation of approximately \$8.7 million and \$8.6 million as of March 31, 2022 and December 31, 2021, respectively.

Capitalized implementation costs for hosting arrangements are included within prepaid expenses and other assets on the Company's statements of financial condition and totaled approximately \$5.1 million and \$7.0 million, net of accumulated amortization, as of March 31, 2022 and December 31, 2021, respectively.

During the three months ended March 31, 2022, the Company recognized a \$1.9 million charge for the impairment of certain internal and external costs capitalized in connection with hosted software arrangements, which is reflected within other operating costs in the statements of operations. This impairment charge was recorded subsequent to the Company's determination that portions of a software license agreement with a third-party service provider would be terminated. As such, the Company concluded that capitalized costs associated with the terminated services would not ultimately be completed and placed into service. The Company does not expect to incur future cash expenditures in connection with terminating these services.

Goodwill and Intangible Assets

Goodwill represents the excess cost over the fair value of the identifiable net assets of acquired companies. Identifiable intangible assets generally represent the cost of client relationships and investment management agreements acquired as well as trademarks. Goodwill and indefinite-lived assets are tested for impairment annually or more frequently if events or circumstances indicate that the carrying value may not be recoverable. Intangible assets subject to amortization are tested for impairment whenever events or circumstances indicate that the carrying value may not be recoverable. Goodwill and intangible assets require significant management estimate and judgment, including the valuation and expected life determination in connection with the initial purchase price allocation and the ongoing evaluation for impairment.

Leases

The Company determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use ("ROU") assets, accrued expenses and other liabilities and operating lease liabilities, non-current on its consolidated statements of financial condition. Finance leases are included in other long-term assets, accrued expenses and other liabilities, and other long-term liabilities on its consolidated statements of financial condition.

ROU assets represent the Company's right to use an underlying asset for the lease term and lease liabilities represent the Company's obligation to make lease payments arising from the lease. Operating lease ROU assets and lease liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As the Company's leases do not provide an implicit rate, the Company uses its incremental borrowing rate based on the information available at commencement date in determining the present value of lease payments. The incremental borrowing rate, for each identified lease, is the rate of interest that the Company would have to pay to borrow on a collateralized basis over a similar term. The operating lease ROU asset is reduced for any lease incentives. The Company's lease terms may include options to extend or terminate the lease when it is reasonably certain that it will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

The Company has lease agreements with lease and non-lease components, which are combined for all classes of underlying assets.

Impairment of Long-Lived Assets

The Company reviews the carrying value of its long-lived assets annually or whenever events or changes in circumstances indicate that the historical cost carrying value of an asset may no longer be appropriate.

During the three months ended March 31, 2022, the Company entered into a sublease agreement for a portion of the Company's currently occupied office space, triggering a change in the way the leased asset is utilized by the Company. The subleased space was determined to be a separate asset group from the remaining office space leased by the Company, and as such represents a distinct ROU asset and lease liability. The Company assessed recoverability of the asset group by comparing the undiscounted future net cash flows expected to result from the asset group to its carrying value. The carrying value exceeded the undiscounted future net cash flows of the asset, and an impairment loss of approximately \$0.5 million was recognized during the three months ended March 31, 2022 as the difference between the net book value and the fair value of the asset group.

Treasury Stock

Treasury stock is accounted for under the cost method and is included as a deduction from equity in the Shareholders' Equity section of the consolidated statements of financial condition. Upon any subsequent retirement or resale, the treasury stock account is reduced by the cost of such stock.

Operating Segments

The Company operates in one segment, the investment management industry.

Note 3—Revenue

Disaggregated Revenue

The following table represents the Company's wealth management and institutional and intermediary investment management revenue by investment portfolio during the three months ended March 31, 2022 and 2021:

	Three months ended March 31, 2022			Three months ended March 31, 2021		
	Wealth Management	Institutional and Intermediary	Total	Wealth Management	Institutional and Intermediary	Total
	(in thousands)					
Blended Asset	\$ 14,669	\$ 8,297	\$ 22,966	\$ 13,634	\$ 8,068	\$ 21,702
Equity	1,361	5,921	7,282	1,608	5,865	7,473
Fixed Income	110	469	579	106	395	501
Total	<u>\$ 16,140</u>	<u>\$ 14,687</u>	<u>\$ 30,827</u>	<u>\$ 15,348</u>	<u>\$ 14,328</u>	<u>\$ 29,676</u>

Accounts Receivable

Accounts receivable as of March 31, 2022 and December 31, 2021 consisted of the following:

	March 31, 2022	December 31, 2021
	(in thousands)	
Accounts receivable - third parties	\$ 5,931	\$ 8,119
Accounts receivable - affiliated mutual funds and collective investment trusts	5,209	5,732
Total accounts receivable	<u>\$ 11,140</u>	<u>\$ 13,851</u>

Accounts receivable represents the Company's unconditional rights to consideration arising from its performance under separately managed account, mutual fund and collective investment trust, distribution and shareholder servicing, and custodial service contracts. Accounts receivable balances do not include an allowance for doubtful accounts nor has any significant bad debt expense attributable to accounts receivable been recorded during the three months ended March 31, 2022 or 2021.

Advisory and Distribution Agreements

The Company earns investment advisory fees, distribution fees and administrative service fees under agreements with affiliated mutual funds and collective investment trusts. Fees earned for advisory and distribution services provided were approximately \$10.1 million for the three months ended March 31, 2022 and approximately \$9.9 million for the three months ended March 31, 2021, which represents greater than 25% of revenue in each period. The following provides amounts due from affiliated mutual funds and collective investment trusts reported within accounts receivable in the consolidated statements of financial condition as of March 31, 2022 and December 31, 2021:

	March 31, 2022	December 31, 2021
	(in thousands)	
Affiliated mutual funds	\$ 3,928	\$ 4,309
Affiliated collective investment trusts	1,281	1,423
Accounts receivable - affiliated mutual funds and collective investment trusts	<u>\$ 5,209</u>	<u>\$ 5,732</u>

Contract assets and liabilities

Accrued accounts receivable: Accrued accounts receivable represents the Company's contract asset for revenue that has been recognized in advance of billing separately managed account contracts. Consideration for the period billed in arrears is dependent on the client's AUM on a future billing date and therefore conditional as of the reporting period end. During the three months ended March 31, 2022, revenue was decreased by less than \$0.1 million for changes in transaction price. Accrued accounts receivable of approximately \$0.3 million is reported within prepaid expenses and other assets in the consolidated statements of financial condition for both March 31, 2022 and December 31, 2021.

Deferred revenue: Deferred revenue is recorded when consideration is received or unconditionally due in advance of providing services to the Company's customer. Revenue recognized during the three months ended March 31, 2022 that was included in deferred revenue at the beginning of the period was approximately \$9.9 million.

Manning & Napier, Inc.
Notes to Consolidated Financial Statements (Continued)

Costs to obtain a contract: Under compensation plans in effect for periods prior to January 1, 2020, certain incremental first year commissions directly associated with new customer contracts were capitalized and amortized on a straight-line basis over an estimated customer contract period of 3 to 7 years. The total net asset as of March 31, 2022 and December 31, 2021 was approximately \$0.4 million and \$0.5 million, respectively. The related amortization expense, which is included in compensation and related costs, totaled less than \$0.1 million for the three months ended March 31, 2022 and less than \$0.1 million for the three months ended March 31, 2021. An impairment loss is recorded for contract acquisition costs related to client contracts that cancel during the period. These impairment losses totaled less than \$0.1 million for the three months ended March 31, 2022 and were zero for the three months ended March 31, 2021.

Note 4—Noncontrolling Interests

Manning & Napier holds an economic interest of approximately 97.8% in Manning & Napier Group, and as managing member controls all of the business and affairs of Manning & Napier Group. As a result, the Company consolidates the financial results of Manning & Napier Group and records a noncontrolling interest on its consolidated statements of financial condition with respect to the remaining approximately 2.2% economic interest in Manning & Napier Group held by M&N Group Holdings. Net income attributable to noncontrolling interests on the statements of operations represents the portion of earnings attributable to the economic interest in Manning & Napier Group held by the noncontrolling interests.

The following table provides a reconciliation from “Income before provision for (benefit from) income taxes” to “Net income attributable to Manning & Napier, Inc.”:

	Three months ended March 31,	
	2022	2021
	(in thousands)	
Income before provision for (benefit from) income taxes	\$ 478	\$ 6,667
Less: income (loss) before provision for (benefit from) income taxes of Manning & Napier, Inc. ⁽¹⁾	(1,320)	7
Income before provision for income taxes, as adjusted	1,798	6,660
Controlling interest percentage ⁽²⁾	97.8 %	88.9 %
Income before provision for income taxes attributable to controlling interest	1,758	5,921
Plus: income (loss) before provision for (benefit from) income taxes of Manning & Napier, Inc. ⁽¹⁾	(1,320)	7
Income before provision for income taxes attributable to Manning & Napier, Inc.	438	5,928
Less: provision for (benefit from) income taxes of Manning & Napier, Inc. ⁽³⁾	(748)	688
Net income attributable to Manning & Napier, Inc.	\$ 1,186	\$ 5,240

- (1) Manning & Napier, Inc. incurs certain income or expenses that are only attributable to it and are therefore excluded from the net income attributable to noncontrolling interests.
- (2) Income before provision for (benefit from) income taxes is allocated to the controlling interest based on the percentage of units of Manning & Napier Group held by Manning & Napier, Inc. The amount represents the Company's weighted ownership of Manning & Napier Group's income for the respective periods.
- (3) The consolidated provision for (benefit from) income taxes is equal to the sum of (i) the provision for (benefit from) income taxes for entities other than Manning & Napier, Inc. and (ii) the provision for (benefit from) income taxes of Manning & Napier, Inc. which includes all U.S. federal and state income taxes. The consolidated provision for (benefit from) income taxes was a benefit of \$0.7 million and provision of \$0.7 million for the three months ended March 31, 2022 and 2021, respectively.

As of March 31, 2022, a total of 428,812 units of Manning & Napier Group were held by the noncontrolling interests. Pursuant to the terms of the exchange agreement entered into at the time of the Company's initial public offering ("Exchange Agreement"), such units may be tendered for exchange or redemption. For any units exchanged, the Company may (i) pay an amount of cash equal to the number of tendered units multiplied by the value of one share of the Company's Class A common stock less a market discount and expected expenses, or, at the Company's election, (ii) issue shares of the Company's Class A common stock on a one-for-one basis, subject to customary adjustments. As the Company receives units of Manning & Napier Group that are exchanged, the Company's ownership of Manning & Napier Group will increase.

Manning & Napier, Inc.
Notes to Consolidated Financial Statements (Continued)

During the three months ended March 31, 2022, Class A common stock was issued under the Company's 2011 Equity Compensation Plan (the "Equity Plan") for which Manning & Napier, Inc. acquired an equivalent number of Class A units of Manning & Napier Group.

The following is the impact to the Company's equity ownership interest in Manning & Napier Group for the three months ended March 31, 2022:

	Manning & Napier Group Class A Units Held			Manning & Napier Ownership %
	Manning & Napier	Noncontrolling Interests	Total	
As of December 31, 2021	18,296,780	428,812	18,725,592	97.7%
Class A Units issued	370,252	—	370,252	0.1%
As of March 31, 2022	18,667,032	428,812	19,095,844	97.8%

Manning & Napier Inc., as managing member, controls all of the business and affairs of Manning & Napier Group. Since the Company continues to have a controlling interest in Manning & Napier Group, the aforementioned changes in ownership of Manning & Napier Group were accounted for as equity transactions under ASC Topic 810, *Consolidation*. Additional paid-in capital and noncontrolling interests in the consolidated statements of financial position are adjusted to reallocate the Company's historical equity to reflect the change in ownership of Manning & Napier Group.

Manning & Napier and the holders of Manning & Napier Group are party to a tax receivable agreement ("TRA"), pursuant to which Manning & Napier is required to pay to such holders 85% of the applicable cash savings, if any, in U.S. federal, state, local and foreign income tax that Manning & Napier actually realizes, or is deemed to realize in certain circumstances, as a result of (i) certain tax attributes of their units sold to Manning & Napier or exchanged (for shares of Class A common stock) and that are created as a result of the sales or exchanges and payments under the TRA and (ii) tax benefits related to imputed interest.

At both March 31, 2022 and December 31, 2021, the Company had recorded a liability of \$17.8 million, representing the estimated payments due to the selling unit holders under the TRA entered into between Manning & Napier and the other holders of Class A Units of Manning & Napier Group. Of these amounts, approximately \$4.3 million were included in accrued expenses and other liabilities at both March 31, 2022 and December 31, 2021. The Company made no payments pursuant to the TRA during either of the three months ended March 31, 2022 and 2021.

Obligations pursuant to the TRA are obligations of Manning & Napier. They do not impact the noncontrolling interests. These obligations are not income tax obligations. Furthermore, the TRA has no impact on the allocation of the provision for income taxes to the Company's net income.

Note 5—Investment Securities

The following represents the Company's investment securities holdings as of March 31, 2022 and December 31, 2021:

	March 31, 2022			
	Cost	Unrealized Gains	Unrealized Losses	Fair Value
	(in thousands)			
Available-for-sale securities				
U.S. Treasury securities	\$ 9,455	\$ —	\$ (191)	\$ 9,264
Fixed income securities	6,219	—	(204)	6,015
				<u>15,279</u>
Equity investments, at fair value				
Equity securities				6,796
Mutual funds				14,945
				<u>21,741</u>
Total investment securities				<u>\$ 37,020</u>
	December 31, 2021			
	Cost	Unrealized Gains	Unrealized Losses	Fair Value
	(in thousands)			
Available-for-sale securities				
U.S. Treasury securities	\$ 10,442	\$ —	\$ (135)	\$ 10,307
Fixed income securities	7,015	—	(156)	6,859
				<u>17,166</u>
Equity investments, at fair value				
Equity securities				6,377
Mutual funds				1,065
				<u>7,442</u>
Total investment securities				<u>\$ 24,608</u>

Investment securities are classified as either equity investments or available-for-sale and are carried at fair value. Fair value is determined based on quoted market prices in active markets for identical or similar instruments.

Investment securities classified as equity investments, at fair value consist of equity securities and investments in mutual funds for which the Company provides advisory services. At March 31, 2022 and December 31, 2021, equity investments, at fair value consist of investments held by the Company to provide initial cash seeding for product development purposes and investments in mutual funds to hedge economic exposure to market movements on its deferred compensation plan. The Company recognized approximately \$0.5 million of net unrealized losses and \$0.3 million of net unrealized gains related to investments classified as equity investments, at fair value during the three months ended March 31, 2022 and 2021, respectively.

Investment securities classified as available-for-sale consist of U.S. Treasury securities and corporate bonds to optimize cash management opportunities and for compliance with certain regulatory requirements. As of March 31, 2022 and December 31, 2021, approximately \$0.6 million of these securities was considered restricted. The Company periodically reviews each individual security position that has an unrealized loss, or impairment, to determine if that impairment is other-than-temporary. No other-than-temporary impairment charges have been recognized by the Company during the three months ended March 31, 2022 and 2021.

Note 6—Fair Value Measurements

Fair value is defined as the price that the Company would receive upon selling an investment in an orderly transaction to an independent buyer in the principal or most advantageous market of the investment. A fair value hierarchy is applied that gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3).

Manning & Napier, Inc.
Notes to Consolidated Financial Statements (Continued)

The following three-tier fair value hierarchy prioritizes the inputs used in measuring fair value:

- Level 1—observable inputs such as quoted prices in active markets for identical securities;
- Level 2—other significant observable inputs (including but not limited to quoted prices for similar securities, interest rates, prepayment rates, credit risk, etc.); and
- Level 3—significant unobservable inputs (including the Company’s own assumptions in determining the fair value of investments).

The following table summarizes the hierarchy of inputs used to derive the fair value of the Company’s assets as of March 31, 2022 and December 31, 2021:

	March 31, 2022			
	Level 1	Level 2	Level 3	Totals
	(in thousands)			
Equity securities	\$ 6,796	\$ —	\$ —	\$ 6,796
Fixed income securities	—	6,015	—	6,015
Mutual funds	14,945	—	—	14,945
U.S. Treasury securities	—	9,264	—	9,264
Total assets at fair value	\$ 21,741	\$ 15,279	\$ —	\$ 37,020

	December 31, 2021			
	Level 1	Level 2	Level 3	Totals
	(in thousands)			
Equity securities	\$ 6,377	\$ —	\$ —	\$ 6,377
Fixed income securities	—	6,859	—	6,859
Mutual funds	1,065	—	—	1,065
U.S. Treasury securities	—	10,307	—	10,307
Total assets at fair value	\$ 7,442	\$ 17,166	\$ —	\$ 24,608

Valuations of investments in fixed income securities and U.S. Treasury securities can generally be obtained through independent pricing services. For most bond types, the pricing service utilizes matrix pricing, which considers one or more of the following factors: yield or price of bonds of comparable quality, coupon, maturity, current cash flows, type and current day trade information, as well as dealer supplied prices. These valuations are categorized as Level 2 in the hierarchy.

The Company’s policy is to recognize transfers in and transfers out of the valuation levels as of the beginning of the reporting period. There were no transfers between valuation levels during the three months ended March 31, 2022.

Note 7—Accrued Expenses and Other Liabilities

Accrued expenses and other liabilities as of March 31, 2022 and December 31, 2021 consisted of the following:

	March 31, 2022	December 31, 2021
	(in thousands)	
Accrued bonus and sales commissions	\$ 11,182	\$ 22,144
Accrued payroll and benefits	2,953	4,548
Accrued sub-transfer agent fees	472	482
Amounts payable under tax receivable agreement	4,273	4,273
Short-term operating lease liabilities	2,788	2,728
Other accruals and liabilities	4,320	2,213
Total accrued expenses and other liabilities	\$ 25,988	\$ 36,388

Manning & Napier, Inc.
Notes to Consolidated Financial Statements (Continued)

Note 8—Leases

The Company has operating and finance leases for office space and certain equipment. For these leases, the office space or equipment is an explicitly identified asset within the contract. The Company has determined that it has obtained substantially all of the economic benefits from the use of the underlying asset and directs how and for what purpose the asset is used during the term of the contract.

Certain of the Company's operating leases have been subleased for which the Company will receive cash totaling approximately \$4.1 million over the remaining term of such leases. The lease terms for the five subleased operating leases end ranging from 2025 to 2028.

The components of lease expense for the three months ended March 31, 2022 and 2021 were as follows:

	Three months ended March 31,	
	2022	2021
(in thousands)		
Finance lease expense		
Amortization of right-of-use assets	\$ 13	\$ 24
Interest on lease liabilities	1	2
Operating lease expense	1,183	826
Short-term lease expense	—	—
Variable lease expense	77	41
Sublease income	(186)	(165)
Total lease expense	\$ 1,088	\$ 728

Supplemental cash flow information related to leases for the three months ended March 31, 2022 and 2021 were as follows:

	Three months ended March 31,	
	2022	2021
(in thousands)		
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from finance leases	\$ 1	\$ 2
Finance cash flows from finance leases	17	16
Operating cash flows from operating leases	1,189	946
Right-of-use assets obtained in exchange for new lease obligations:		
Finance leases	\$ —	\$ —
Operating leases	\$ (513)	\$ 38

Manning & Napier, Inc.
Notes to Consolidated Financial Statements (Continued)

Supplemental balance sheet information related to leases as of March 31, 2022 was as follows:

(in thousands, except lease term and discount rate)	March 31, 2022	
Finance Leases		
Finance lease right-of-use assets ⁽¹⁾	\$	67
Accrued expenses and other liabilities	\$	44
Other long-term liabilities		28
Total finance lease liabilities	\$	72
Operating Leases		
Operating lease right-of-use assets	\$	12,999
Accrued expenses and other liabilities	\$	2,788
Operating lease liabilities, non-current		12,708
Total operating lease liabilities	\$	15,496
Weighted average remaining lease term		
Finance leases		1.56 years
Operating leases		5.45 years
Weighted average discount rate		
Finance leases		4.29 %
Operating leases		4.95 %

(1) Amounts included in other long-term assets within the consolidated statements of financial condition.

Maturities of lease liabilities were as follows:

Twelve month period ending March 31,	Finance Leases		Operating Leases	
	(in thousands)			
2023	\$	47	\$	3,524
2024		27		3,292
2025		—		3,171
2026		—		2,906
2027		—		2,871
Thereafter		—		1,924
Total lease payments		74		17,688
Less imputed interest		(2)		(2,192)
Total lease liabilities	\$	72	\$	15,496

Note 9—Commitments and Contingencies

The Company may from time to time enter into agreements that contain certain representations and warranties and which provide general indemnifications. The Company may also serve as a guarantor of such obligations. The Company's maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Company that have not yet occurred. The Company expects any risk of liability associated with such guarantees to be remote.

Regulation

As an investment adviser to a variety of investment products, the Company and its affiliated broker-dealer are subject to routine reviews and inspections by the SEC and the Financial Industry Regulatory Authority, Inc. From time to time the Company may also be subject to claims, or be involved in various legal proceedings, arising in the ordinary course of its business and other contingencies. The Company does not believe that the outcome of any of these reviews, inspections or other legal proceedings will have a material impact on its consolidated financial statements; however, litigation is subject to many uncertainties, and the outcome of individual litigated matters is difficult to predict. The Company will establish accruals for matters that are probable, can be reasonably estimated, and may take into account any related insurance recoveries to the extent of such recoveries. As of March 31, 2022 and December 31, 2021, the Company has not accrued for any such claims, legal proceedings, or other contingencies.

Merger Agreement

The Company has made customary representations and warranties in the Merger Agreement with Callodine (Note 1). The Merger Agreement also contains customary covenants and agreements, including covenants and agreements relating to the conduct of the Company's business between the date of the signing of the Merger Agreement and the closing of the transactions contemplated under the Merger Agreement.

The Merger Agreement contains certain termination rights for the Company and Callodine, including the right of the Company to terminate the Merger Agreement to accept a superior proposal, subject to specified limitations, and provides that, upon termination of the Merger Agreement by the Company, the Company will be required to pay Callodine a termination fee of \$8,790,000 or upon termination of the Merger Agreement by Callodine, Callodine will be required to pay the Company a termination fee of \$15,070,000 in each case under circumstances.

In addition to the foregoing termination rights, and subject to certain limitations, either party may terminate the Merger Agreement if the Merger is not consummated by October 1, 2022.

Note 10—Earnings per Common Share

Basic earnings per share ("basic EPS") is computed by dividing net income by the weighted average number of shares outstanding for the reporting period. Diluted earnings per share ("diluted EPS") gives effect during the reporting period to other potentially dilutive shares outstanding.

Net income attributable to noncontrolling interests on the statements of operations represents the portion of earnings attributable to the economic interest of Manning & Napier Group held by the noncontrolling interests (Note 4). For periods in which the outstanding Class A Units of Manning & Napier Group are dilutive to the Company's earnings per share, the calculation of diluted earnings per share also takes into account the incremental net income that would be available to Class A common stock upon the conversion of Class A Units into Class A common stock.

Weighted average shares outstanding for periods prior to January 1, 2022 reflect the impact of the Company's restricted Class A common shares that had been granted under a prior equity plan. These awards had non-forfeitable dividend rights during their vesting period and were therefore considered participating securities under the two-class method for purposes of computing both basic and diluted earnings per share in those periods.

Manning & Napier, Inc.
Notes to Consolidated Financial Statements (Continued)

The following is a reconciliation of the income and share data used in the basic and diluted EPS computations for the three months ended March 31, 2022 and 2021:

	Three months ended March 31,	
	2022	2021
(in thousands, except share data)		
Numerator:		
Net income attributable to controlling and noncontrolling interests	\$ 1,224	\$ 5,964
Less: net income attributable to noncontrolling interests	38	724
Net income attributable to Manning & Napier, Inc.	\$ 1,186	\$ 5,240
Less: allocation to participating securities	—	38
Net income available to Class A common stock for basic EPS	\$ 1,186	\$ 5,202
Plus: reallocation of net income attributable to participating securities	—	5
Net income available to Class A common stock for diluted EPS	\$ 1,186	\$ 5,207
Denominator:		
Weighted average shares of Class A common stock outstanding - basic	18,988,573	17,026,500
Dilutive effect of outstanding equity awards	2,563,364	3,246,843
Weighted average shares of Class A common stock outstanding - diluted	21,551,937	20,273,343
Net income available to Class A common stock per share - basic	\$ 0.06	\$ 0.31
Net income available to Class A common stock per share - diluted	\$ 0.06	\$ 0.26

Performance-based stock options are excluded from the calculation of diluted EPS for periods in which the associated market condition has not yet been achieved. As such, for the three months ended March 31, 2021, 288,000 unvested performance-based stock options were excluded from the calculation of diluted EPS.

For the three months ended March 31, 2021, 232,216 unvested equity awards were excluded from the calculation of diluted EPS because the effect would have been anti-dilutive.

At March 31, 2022, and 2021 there were 428,812 and 2,021,781 Class A Units of Manning & Napier Group outstanding, respectively, which, subject to certain restrictions, may be exchangeable for up to an equivalent number of shares of the Company's Class A common stock. These units were not included in the calculation of diluted earnings per common share for the three months ended March 31, 2022 or for the three months ended March 31, 2021 because the effect would have been anti-dilutive.

Note 11—Equity-Based Compensation

The Equity Plan was adopted by the Company's board of directors and approved by shareholders prior to the consummation of the Company's 2011 initial public offering. A total of 13,142,813 equity interests were authorized for issuance, eligible to be issued in the form of Class A common stock, restricted stock units, stock options, units of Manning & Napier Group, or certain classes of membership interests in the Company which may convert into units of Manning & Napier Group. The Equity Plan expired in November 2021. As such, at March 31, 2022, there were no awards available for issuance pursuant to the Equity Plan. The following table summarizes activity related to awards of restricted stock and restricted stock units (collectively, "stock awards") under the Equity Plan for the three months ended March 31, 2022:

	Stock Awards	Weighted Average Grant Date Fair Value
Outstanding at January 1, 2022	3,421,611	\$ 2.90
Granted	—	\$ —
Vested	(581,595)	\$ 1.57
Forfeited	(19,737)	\$ 1.57
Outstanding at March 31, 2022	2,820,279	\$ 3.19

The weighted average fair value of stock awards granted during the three months ended March 31, 2021 was \$6.04, based on the closing sale price of the Company's Class A common stock as reported on the New York Stock Exchange on the date of grant, and, if not entitled to dividends or dividend equivalents during the vesting period, reduced by the present value of such amounts expected to be paid on the underlying shares during the requisite service period.

Manning & Napier, Inc.
Notes to Consolidated Financial Statements (Continued)

For the three months ended March 31, 2022 and 2021, the Company recorded approximately \$0.5 million and \$1.2 million, respectively, of compensation expense related to stock awards under the Equity Plan. The aggregate intrinsic value of stock awards that vested during each of the three months ended March 31, 2022 and 2021 was approximately \$4.6 million and \$0.5 million, respectively. As of March 31, 2022, there was unrecognized compensation expense of approximately \$6.9 million related to stock awards, which the Company expects to recognize over a weighted average period of approximately 3.4 years.

A summary of activity under the Equity Plan related to stock option awards during the three months ended March 31, 2022 is presented below:

	Stock Option Awards	Weighted Average Exercise Price	Weighted Average Contractual Term (years)	Aggregate Intrinsic Value (in thousands)
Outstanding at January 1, 2022	500,000	\$ 2.01		
Granted	—	\$ —		
Exercised	—	\$ —		
Forfeited	—	\$ —		
Outstanding at March 31, 2022	<u>500,000</u>	<u>\$ 2.01</u>	3.4	\$ 3,550
Exercisable at March 31, 2022	<u>500,000</u>	<u>\$ 2.01</u>	3.4	\$ 3,550

For the three months ended March 31, 2021, the Company recorded approximately \$0.1 million of compensation expense related to stock options under the Equity Plan. As of March 31, 2022, there was no unrecognized compensation expense related to stock options.

In connection with the vesting of restricted stock units during the three months ended March 31, 2022, the Company withheld a total of 211,343 shares of Class A common stock to satisfy approximately \$1.7 million of employee income tax withholding requirements. These net share settlements had the effect of shares repurchased and retired by the Company, as they reduced the total number of Class A common shares outstanding.

Note 12—Income Taxes

The Company is comprised of entities that have elected to be treated as either a limited liability company ("LLC") or a "C-Corporation". As such, the entities functioning as LLCs are not liable for or able to benefit from U.S. federal and most state income taxes on their earnings, and earnings (losses) will be included in the personal income tax returns of each entity's unit holders. The entities functioning as C-Corporations are liable for or able to benefit from U.S. federal and state and local income taxes on their earnings and losses, respectively.

In calculating the provision for income taxes, the Company uses an estimate of the annual effective tax rate based upon the facts and circumstances at each interim period. On a quarterly basis, the estimated annual effective tax rate is adjusted, as appropriate, based upon changes in facts and circumstances, if any, as compared to those forecasted at the beginning of the fiscal year and at each interim period thereafter.

The Company's income tax provision (benefit) and effective tax rate were as follows:

	Three months ended March 31,	
	2022	2021
	(in thousands)	
Income before provision for (benefit from) income taxes	\$ 478	\$ 6,667
Effective tax rate	(156.1)%	10.5 %
Provision for (benefit from) income taxes	(746)	703
Provision for income taxes at statutory rate	100	1,400
Difference between tax at effective vs. statutory rate	<u>\$ (846)</u>	<u>\$ (697)</u>

The provision for (benefit from) income taxes includes a benefit attributable to the fact that the Company's operations include a series of flow-through entities which are generally not subject to federal and most state income taxes. Accordingly, a portion of the Company's earnings are not subject to corporate level taxes. The Company recognized a reduced benefit from flow-through entities during the three months ended March 31, 2022 compared to March 31, 2021 due to a higher portion of Manning & Napier Group's earnings subject to taxation at the C-Corporation level attributed to Manning & Napier Inc.'s increased ownership of Manning & Napier Group as of March 31, 2022 compared to March 31, 2021.

The effective rate during the three months ended March 31, 2022 and 2021 is lower than the statutory rate of 21% due to the incremental tax benefits realized from the vesting of restricted stock units during the first quarters of 2022 and 2021 and exercise of stock options during the first quarter of 2021, partially offset by the impacts from permanent differences between book and tax income, including but not limited to Section 162(m) of the IRC which limits the annual amount of deductible compensation.

Note 13—Related Party Transactions

Transactions with noncontrolling members

From time to time, the Company may be asked to provide certain services, including accounting, legal and other administrative functions for the noncontrolling members of Manning & Napier Group. While immaterial, the Company has not received any reimbursement for such services.

The Company manages the personal funds of certain of the Company's executive officers and directors and/or their affiliated entities. Pursuant to the respective investment management agreements, in some instances the Company may waive or reduce its regular advisory fees for these accounts. The aggregate value of the fees earned was less than \$0.1 million for each of the three months ended March 31, 2022 and 2021. No fees were waived for the three months ended March 31, 2022 and 2021.

Affiliated fund transactions

The Company earns investment advisory fees, distribution fees and administrative service fees under agreements with affiliated mutual funds and collective investment trusts. Fees earned for advisory and distribution services provided were approximately \$10.1 million for the three months ended March 31, 2022, and \$9.9 million for the three months ended March 31, 2021. Fees earned for administrative services provided were approximately \$0.3 million for the three months ended March 31, 2022, and \$0.2 million for the three months ended March 31, 2021, respectively. See Note 3 for disclosure of amounts due from affiliated mutual funds and collective investment trusts.

The Company incurs certain expenses on behalf of the collective investment trusts and has contractually agreed to limit its fees and reimburse expenses to limit operating expenses incurred by certain affiliated fund series. The aggregate value of fees waived and expenses reimbursed to, or incurred for, affiliated mutual funds and collective investment trusts were approximately \$0.6 million for the three months ended March 31, 2022, and \$0.5 million for the three months ended March 31, 2021.

Note 14—Subsequent Events

Distribution

On April 20, 2022, the Company's Board of Directors approved a \$2.0 million distribution from Manning & Napier Group to Manning & Napier and the noncontrolling interests of Manning & Napier Group, of which less than \$0.1 million was paid to the noncontrolling members of Manning & Napier Group.

Dividend on Class A common stock

On April 20, 2022, the Company's Board of Directors declared a \$0.05 per share dividend to the holders of Class A common stock. The dividend is payable on or about May 20, 2022 to shareholders of record as of May 6, 2022.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

This report contains forward-looking statements within the meaning of section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), which reflect the views of Manning & Napier, Inc. ("we," "our," or "us") with respect to, among other things, our future operations and financial performance. Words like "believes," "expects," "may," "estimates," "will," "would," "should," "could," "intends," "likely," "outlook," or "anticipates" or the negative thereof or other variations thereon or comparable terminology, are used to identify forward-looking statements, although not all forward-looking statements contain these words.

Although we believe that we are basing our expectations and beliefs on reasonable assumptions within the bounds of what we currently know about our business and operations, there can be no assurance that our actual results will not differ materially from what we expect or believe. Some of the factors that could cause our actual results to differ materially from our expectations or beliefs are disclosed in the "Risk Factors" section, as well as other sections, of our Annual Report on Form 10-K and this Quarterly Report on Form 10-Q, which include, without limitation: the delay in or failure to consummate the merger with Callodine Group, LLC ("Callodine"); changes in our business related to the merger with Callodine; changes in securities or financial markets or general economic conditions, including as a result of the COVID-19 pandemic or political instability and uncertainty, such as the Russian invasion of Ukraine; inflation; changes in interest rates; a decline in the performance of our products; client sales and redemption activity; any loss of an executive officer or key personnel; and changes of government policy or regulations. All forward-looking statements speak only as of the date on which they are made and we undertake no duty to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Overview

Our Business

Manning & Napier, Inc. is an independent investment management firm that provides our clients with a broad range of financial solutions and investment strategies. Founded in 1970 and headquartered in Fairport, New York, we serve a diversified client base of high-net-worth individuals and institutions, including 401(k) plans, pension plans, Taft-Hartley plans, endowments and foundations. Our investment strategies offer equity, fixed income and a range of blended asset portfolios, including life cycle funds.

Impact of COVID-19

We are continuing to address the challenges of COVID-19 by protecting the health and well-being of our employees, while servicing our clients and leveraging technology to fully support our business needs in a primarily digital manner.

For further discussion regarding the potential future impacts of COVID-19 and related economic conditions on the Company's financial statements, capital and liquidity, and business operations, see the "Risk Factors" section of our Annual Report on Form 10-K.

Market Developments

U.S. equity markets started the year from a place of all-time highs before stumbling out of the gate and hitting correction territory in early-February. Investors reacted with caution to a combination of rising inflation, tightening financial conditions, and the Russia-Ukraine invasion. Equity markets later rallied, recovering some of the lost ground, but remain off their highs for the year. Overall, market valuations softened incrementally due to market weakness and robust earnings growth; however, equities remain expensive by longer-term historical standards.

Fixed income performance was also challenged as short- to intermediate-term rates rapidly rose, inverting segments of the yield curve. An inversion does not guarantee a recession, but it is of concern as yield curve inversions have historically occurred late in economic cycles. Additionally, inflation is adding further pressure on fixed income as it continues to measure well above levels of recent cycles. In response, the Federal Reserve implemented its first rate hike in March, as well as suggested a quicker pace of monetary policy tightening going forward, signifying a later start to policy normalization. It remains to be seen whether the Fed will need to be more aggressive to adequately address the inflation problem.

As the economy progresses into a later cycle phase, we will continue monitoring the ongoing logistical hurdles constraining supply chains, wage growth data as it reflects a hotter labor market, and corporate credit spreads, which remain compressed due to excess liquidity and generally low rates. The building risks and pressures outlined above, paired with the current state of the market and economy, has led our outlook to become incrementally more cautious, and we are de-risking where applicable.

Business Updates

On March 31, 2022, the Company entered into an agreement (the "Merger Agreement") under which the Company will go private and be acquired by Callodine, with the Company continuing as the surviving corporation (the "Merger").

Pursuant to the Merger Agreement, each outstanding share of common stock of the Company and Manning & Napier Group Holdings outstanding units will be converted into the right to receive from Callodine \$12.85 in cash. The proposed acquisition is expected to close in the third quarter of 2022, contingent upon shareholder approval and other customary closing conditions. For additional information about the proposed Merger and the Merger Agreement, please see the Company's Current Report on Form 8-K filed with the U.S. Securities and Exchange Commission on April 1, 2022.

Our Solutions

We derive substantially all of our revenues from investment management fees earned from providing advisory services to separately managed accounts and to mutual funds and collective investment trusts—including those offered by Manning & Napier Advisors, LLC ("MNA"), the Manning & Napier Fund, Inc. (the "Fund"), Exeter Trust Company, and Rainier Investment Management, LLC ("Rainier").

Our separate accounts are primarily distributed through our wealth management sales channel, where our financial consultants form relationships with high-net-worth individuals, endowments, foundations, and retirement plans. To a lesser extent, we also obtain a portion of our separate account distribution via third parties, either through our intermediary sales channel, where national brokerage firm representatives or independent financial advisors select our separate account strategies for their clients, or through our platform/sub-advisor relationships, where unaffiliated registered investment advisors approve our strategies for their product platforms. Our separate account strategies are a primary driver of our blended asset portfolios for high-net-worth, middle market institutional clients and financial intermediaries. In contrast, larger institutions and unaffiliated registered investment advisor platforms are a driver of our separate account equity portfolios.

Our mutual funds and collective investment trusts are distributed primarily through financial intermediaries, including brokers, financial advisors, retirement plan advisors and platform relationships. We also distribute our mutual fund and collective investment trusts through our institutional representatives, particularly within the defined contribution, Taft-Hartley, and institutional marketplace. Our mutual fund and collective investment trust strategies are an important driver of our blended asset class and single asset class portfolios.

Assets Under Management

Our sales efforts distinctly separate the Wealth Management clients to which we deliver holistic solutions, including high-net-worth families, endowments and foundations, and small and mid-sized business, from our Institutional and Intermediary clients, including third party advisors, platforms and consultants, as well as larger institutions and Taft-Hartley clients. The table below reflects the estimated composition of our assets under management ("AUM") as of March 31, 2022, by sales channel and investment portfolio:

	March 31, 2022			
	Blended Asset	Equity	Fixed Income	Total
	(dollars in millions)			
Total AUM				
Wealth Management	\$ 7,980.2	\$ 972.9	\$ 221.7	\$ 9,174.8
Institutional and Intermediary	6,132.1	4,479.1	863.2	11,474.4
Total	\$ 14,112.3	\$ 5,452.0	\$ 1,084.9	\$ 20,649.2
Percentage of AUM				
Wealth Management	38 %	5 %	1 %	44 %
Institutional and Intermediary	30 %	22 %	4 %	56 %
Total	68 %	27 %	5 %	100 %
Percentage of portfolio by channel				
Wealth Management	57 %	18 %	20 %	44 %
Institutional and Intermediary	43 %	82 %	80 %	56 %
Total	100 %	100 %	100 %	100 %
Percentage of channel by portfolio				
Wealth Management	87 %	11 %	2 %	100 %
Institutional and Intermediary	53 %	39 %	8 %	100 %

Our wealth management channel represented 44% of our total AUM as of March 31, 2022. Blended portfolios are the most significant portion of wealth management assets, representing 87%, while equity and fixed income portfolios represent 11% and 2%, respectively.

Our institutional and intermediary channel represented 56% of our total AUM as of March 31, 2022. Blended portfolios are also the largest portion of institutional and intermediary assets at 53% of AUM, followed by equity and fixed income portfolios at 39% and 8%, respectively.

As of March 31, 2022, blended portfolios account for 68% of our total AUM at \$14.1 billion, a 6% decrease from December 31, 2021 when blended assets were \$15.1 billion. Blended portfolio AUM is split across distribution channels, with 57% in wealth management and 43% in institutional and intermediary. Equity portfolios account for 27% of our total AUM, at \$5.5 billion, a 14% decrease from December 31, 2021 when equity portfolios were at \$6.4 billion. Of equity portfolio AUM, 82% is in the institutional and intermediary channel, and 18% is in the wealth management channel. Fixed income portfolios account for 5% of total AUM at \$1.1 billion, a 1% increase from December 31, 2021. The majority of fixed income assets come through the institutional and intermediary channel at 80%, and 20% in the wealth management channel.

During the three months ended March 31, 2022, our wealth management sales channel contributed 33% of our total gross client inflows, while our institutional and intermediary channel contributed 67%. Of the \$0.7 billion in gross client inflows, blended asset portfolios represented 59%, while equity and fixed income portfolios represented 24% and 17%, respectively.

Results of Operations

Below is a discussion of our consolidated results of operations for the three months ended March 31, 2022 and 2021.

Components of Results of Operations

Overview

One of the most significant factors influencing net flows and AUM is the investment performance of our various strategies. As an active manager, it is typical for our investment strategies to exhibit portfolio positioning that is notably divergent from benchmarks and common market indices. We believe this is a strength of our investment approach, although it can cause substantial performance deviations, both positive and negative, versus common benchmarks. In general, our investment processes have a preference for risk management, focusing heavily on fundamentals and valuations. Historically, we have tended to provide a degree of downside protection in adverse markets, while having participated somewhat less than fully in bull markets. Broadly speaking, we expect our investment approach to reduce volatility and create a smoother performance pattern over time, and we believe these characteristics are desirable and an attractive differentiator in our industry. As a result, the overall performance of our suite of investment strategies often differs from many others in the industry, potentially causing the results of our operations to, at times, also diverge.

Other components impacting our operating results include:

- asset-based fee rates and changes in those rates;
- the composition of our AUM among various portfolios, vehicles and client types;
- changes in our variable costs, including incentive compensation and distribution, servicing and custody expenses, which are affected by our investment performance, level of our AUM and revenue; and
- fixed costs, including changes to base compensation, vendor-related costs and investment spending on new products.

Assets Under Management and Investment Performance

The following table reflects the indicated components of our AUM for our sales channels for the three months ended March 31, 2022 and 2021:

	Sales Channel ⁽⁴⁾					
	Wealth Management	Institutional and Intermediary	Total	Wealth Management	Institutional and Intermediary	Total
	(in millions)					
As of December 31, 2021	\$ 9,776.9	\$ 12,765.7	\$ 22,542.6	43 %	57 %	100 %
Gross client inflows ⁽¹⁾	242.0	486.4	728.4			
Gross client outflows ⁽¹⁾	(330.0)	(1,007.8)	(1,337.8)			
Market appreciation/(depreciation) & other ⁽²⁾	(514.1)	(769.9)	(1,284.0)			
As of March 31, 2022	\$ 9,174.8	\$ 11,474.4	\$ 20,649.2	44 %	56 %	100 %
Average AUM for period	\$ 9,381.6	\$ 11,949.3	\$ 21,330.9			
As of December 31, 2020	\$ 8,906.4	\$ 11,213.0	\$ 20,119.4	44 %	56 %	100 %
Gross client inflows ⁽¹⁾	224.8	401.6	626.4			
Gross client outflows ⁽¹⁾	(305.3)	(453.5)	(758.8)			
Market appreciation/(depreciation) & other ⁽²⁾⁽³⁾	391.6	761.2	1,152.8			
As of March 31, 2021	\$ 9,217.5	\$ 11,922.3	\$ 21,139.8	44 %	56 %	100 %
Average AUM for period	\$ 8,993.0	\$ 11,454.3	\$ 20,447.3			

(1) Transfers of client assets between portfolios are included in gross client inflows and gross client outflows.

(2) Market appreciation/(depreciation) and other includes investment gains/(losses) on assets under management, the impact of changes in foreign exchange rates and net flows from non-sales related activities including net reinvested dividends.

(3) Beginning in March 2021, AUM includes assets associated with our model-delivery business, previously classified as assets under advisement. These assets totaled \$429.9 million at December 31, 2020, comprised of \$62.5 million in our

wealth management channel and \$367.4 million in our institutional and intermediary channel. These amounts are included above in market appreciation (depreciation) and other for the three months ended March 31, 2021.

- (4) AUM and gross client flows between sales channels have been estimated based upon preliminary data. For a limited portion of our mutual fund AUM, reporting by sales channel is not available at the time of this report. Such estimates have no impact on total AUM, total cash flows, or AUM by investment portfolio reported in the table above.

The following table reflects the indicated components of our AUM for our portfolios for the three months ended March 31, 2022 and 2021:

	Portfolio							
	Blended Asset	Equity	Fixed Income	Total	Blended Asset	Equity	Fixed Income	Total
	(in millions)							
As of December 31, 2021	\$ 15,074.1	\$ 6,374.4	\$ 1,094.1	\$ 22,542.6	67 %	28 %	5 %	100 %
Gross client inflows ⁽¹⁾	426.0	176.4	126.0	728.4				
Gross client outflows ⁽¹⁾	(564.4)	(680.6)	(92.8)	(1,337.8)				
Market appreciation/(depreciation) & other ⁽²⁾	(823.4)	(418.2)	(42.4)	(1,284.0)				
As of March 31, 2022	\$ 14,112.3	\$ 5,452.0	\$ 1,084.9	\$ 20,649.2	69 %	26 %	5 %	100 %
Average AUM for period	\$ 14,457.0	\$ 5,788.2	\$ 1,085.7	\$ 21,330.9				
As of December 31, 2020	\$ 13,558.8	\$ 5,545.3	\$ 1,015.3	\$ 20,119.4	67 %	28 %	5 %	100 %
Gross client inflows ⁽¹⁾	379.8	187.6	59.0	626.4				
Gross client outflows ⁽¹⁾	(501.2)	(200.1)	(57.5)	(758.8)				
Market appreciation/(depreciation) & other ⁽²⁾⁽³⁾	701.1	449.8	1.9	1,152.8				
As of March 31, 2021	\$ 14,138.5	\$ 5,982.6	\$ 1,018.7	\$ 21,139.8	67 %	28 %	5 %	100 %
Average AUM for period	\$ 13,699.0	\$ 5,719.2	\$ 1,029.1	\$ 20,447.3				

(1) Transfers of client assets between portfolios are included in gross client inflows and gross client outflows.

(2) Market appreciation/(depreciation) and other includes investment gains/(losses) on assets under management, the impact of changes in foreign exchange rates and net flows from non-sales related activities including net reinvested dividends.

(3) Beginning in March 2021, AUM includes assets associated with our model-delivery business, previously classified as assets under advisement. These assets totaled \$429.9 million at December 31, 2020, comprised of \$281.3 million in our blended asset portfolio and \$148.6 million in our equity portfolio. These amounts are included above in market appreciation (depreciation) and other for the three months ended March 31, 2021.

The following table summarizes the annualized returns for several of our key investment strategies and relative benchmarks. Since inception and over long-term periods, we believe these strategies have earned attractive returns on both an absolute and relative basis. These strategies are used across separate account, mutual fund and collective investment trust vehicles, and represent approximately 80% of our AUM as of March 31, 2022.

Key Strategies	AUM as of March 31, 2022 (in millions)	Inception Date	Annualized Returns as of March 31, 2022 (2)				
			One Year	Three Year	Five Year	Ten Year	Inception
Long-Term Growth (30%-80% Equity Exposure) <i>Blended Index (3)</i>	\$ 5,711.6	1/1/1973	2.7%	11.1%	9.2%	7.9%	9.5%
Core Non-U.S. Equity <i>Benchmark: ACWIxUS Index</i>	\$ 465.8	10/1/1996	(4.5)%	12.1%	9.0%	5.9%	7.6%
Growth with Reduced Volatility (20%-60% Equity Exposure) <i>Blended Index (4)</i>	\$ 2,851.3	1/1/1973	0.9%	8.9%	7.4%	6.3%	8.7%
Equity-Oriented (70%-100% Equity Exposure) <i>Blended Benchmark: 65% Russell 3000 / 20% ACWIxUS/ 15% Bloomberg U.S. Aggregate Bond</i>	\$ 1,560.6	1/1/1993	5.6%	15.5%	13.5%	10.9%	10.4%
Equity-Focused Blend (50%-90% Equity Exposure) <i>Blended Benchmark: 53% Russell 3000 / 17% ACWIxUS/ 30% Bloomberg U.S. Aggregate Bond</i>	\$ 1,204.6	4/1/2000	4.2%	13.0%	10.7%	9.1%	7.7%
Core Equity-Unrestricted (90%-100% Equity Exposure) <i>Blended Benchmark: 80% Russell 3000 / 20% ACWIxUS</i>	\$ 690.0	1/1/1995	7.0%	16.6%	14.9%	12.5%	11.7%
Core U.S. Equity <i>Benchmark: Russell 3000</i>	\$ 304.7	7/1/2000	10.7%	19.2%	17.1%	14.0%	9.4%
Conservative Growth (5%-35% Equity Exposure) <i>Blended Benchmark: 15% Russell 3000 / 5% ACWIxUS / 80% Bloomberg U.S. Intermediate Aggregate Bond</i>	\$ 1,191.3	4/1/1992	(1.6)%	5.1%	4.5%	3.9%	5.8%
Aggregate Fixed Income <i>Benchmark: Bloomberg U.S. Aggregate Bond</i>	\$ 184.4	1/1/1984	(3.7)%	2.3%	2.4%	2.3%	6.7%
Rainier International Small Cap <i>Benchmark: MSCI ACWIxUS Small Cap Index</i>	\$ 1,055.1	3/28/2012	(3.5)%	15.3%	12.7%	12.3%	12.3%
Disciplined Value US <i>Benchmark: Russell 1000 Value</i>	\$ 1,326.5	1/1/2013	8.7%	11.6%	11.5%	N/A ⁽¹⁾	13.6%

(1) Performance not available given the product's inception date.

(2) Key investment strategy returns are presented net of fees. Benchmark returns do not reflect any fees or expenses.

(3) Benchmark shown uses the 55/45 Blended Index from 01/01/1973-12/31/1987 and the 40/15/45 Blended Index from 01/01/1988- 3/31/2022. The 55/45 Blended Index is represented by 55% S&P 500 Total Return Index ("S&P 500") and 45% Bloomberg U.S. Government/Credit Bond Index ("BGCB"). The 40/15/45 Blended Index is 40% Russell 3000 Index ("Russell 3000"), 15% MSCI ACWI ex USA Index ("ACWxUS"), and 45% Bloomberg U.S. Aggregate Bond Index ("BAB").

(4) Benchmark shown uses the 40/60 Blended Index from 01/01/1973-12/31/1987, the 30/10/60 Blended Index from 01/01/1988-12/31/2019, and the 30/10/30/30 Blended Index from 01/01/2020 to 3/31/2022. The 40/60 Blended Index is represented by 40% S&P 500 and 60% BGCB. The 30/10/60 Blended Index is represented by 30% Russell 3000, 10% ACWxUS, and 60% BAB. The 30/10/30/30 Blended Index is represented by 30% Russell 3000, 10% ACWxUS, 30% BAB, and 30% Intermediate Aggregate Bond Index.

Revenue

Our revenues primarily consist of investment management fees earned from managing our clients' AUM. We earn our investment management fees as a percentage of our clients' AUM either as of a specified date or on a daily basis. Our investment management fees can fluctuate based on the average fee rate for our investment management products, which are affected by the composition of our AUM among various portfolios and investment vehicles.

We serve as the investment adviser for Manning & Napier Fund, Inc., Exeter Trust Company Collective Investment Trusts and Rainier Multiple Investment Trust. The mutual funds are open-end mutual funds that primarily offer no-load share classes designed to meet the needs of a range of institutional and other investors. Exeter Trust Company, an affiliated New Hampshire-chartered trust company and Rainier Multiple Investment Trust sponsor collective investment trusts for qualified retirement plans, including 401(k) plans. These mutual funds and collective investment trusts comprised \$5.7 billion, or 28%, of our AUM as of March 31, 2022. MNA and Rainier also serve as the investment advisor to all of our separately managed accounts, managing \$14.9 billion, or 72%, of our AUM as of March 31, 2022, including assets managed as a sub-advisor to pooled investment vehicles. For the period ended March 31, 2022 approximately 98% of our revenue was earned from clients located in the United States.

We earn distribution and servicing fees for providing services to our affiliated mutual funds. Revenue is computed and earned daily based on a percentage of AUM.

We earn custodial service fees for administrative and safeguarding services performed by Exeter Trust Company. Fees are calculated as a percentage of the client's market value with additional fees for certain transactions.

Operating Expenses

Our largest operating expenses are employee compensation and related costs, and to a lesser degree, distribution, servicing and custody expenses, discussed further below, with a significant portion of these expenses varying in a direct relationship to our absolute and relative investment management performance, as well as AUM and revenues. We review our operating expenses in relation to the investment market environment and changes in our revenues. However, the strength of our balance sheet has historically provided us the flexibility to make the expenditures necessary to support our investment products, our client service levels, strategic initiatives and our long-term value.

- *Compensation and related costs.* Employee compensation and related costs represent our largest expense, including employee salaries and benefits, incentive compensation to investment and sales professionals, compensation issued under our long-term incentive plan. These costs are affected by changes in the employee headcount, the mix of existing job descriptions, competitive factors, the addition of new skill sets and variations in the level of our AUM and revenues. In addition, these costs are impacted by the amount of compensation granted under our equity plan and the amount of deferred cash awards granted under our long-term incentive plan. Incentive compensation for our research team considers the cumulative impact of both absolute and relative investment performance over historical time periods, with more weight placed on the recent periods. As such, incentive compensation paid to our research team will vary, in part, based on absolute and relative investment performance.
- *Distribution, servicing and custody expenses.* Distribution, servicing and custody expenses represent amounts paid to various intermediaries for distribution, shareholder servicing, administrative servicing and custodial services. These expenses generally increase or decrease in line with changes in our mutual fund and collective investment trust AUM or services performed by these intermediaries.
- *Other operating costs.* Other operating costs include technology costs, accounting, legal and other professional service fees, occupancy and facility costs, travel and entertainment expenses, insurance, market data service expenses and all other miscellaneous costs associated with managing the day-to-day operations of our business.

Non-Operating Income (Loss)

Non-operating income (loss) includes interest expense, interest and dividend income, changes in liability under the tax receivable agreement ("TRA") entered into between Manning & Napier and the other holders of Class A units of Manning & Napier Group, LLC ("Manning & Napier Group"), gains (losses) related to investment securities sales as well as changes in values of those investment securities designated as equity securities, at fair value.

We expect the interest and investment components of non-operating income (loss) to fluctuate based on market conditions, the performance of our investments and the overall amount of our investments held by the Company to provide initial cash seeding for product development purposes and short-term investment for cash management opportunities.

Provision for Income Taxes

The Company is comprised of entities that have elected to be treated as either a limited liability company ("LLC") or a "C-Corporation". As such, the entities functioning as LLCs are not liable for or able to benefit from U.S. federal or most state and local income taxes on their earnings, and their earnings (losses) will be included in the personal income tax returns of each entity's unit holders. The entities functioning as C-Corporations are liable for or able to benefit from U.S. federal and state and local income taxes on their earnings and losses, respectively.

Noncontrolling Interests

Manning & Napier, Inc. holds an economic interest of approximately 97.8% in Manning & Napier Group as of March 31, 2022 and, as managing member, controls all of the business and affairs of Manning & Napier Group. As a result, the Company consolidates the financial results of Manning & Napier Group and records a noncontrolling interest in our consolidated financial statements. Net income attributable to noncontrolling interests on the consolidated statements of operations represents the portion of earnings attributable to the economic interest in Manning & Napier Group held by the noncontrolling interests.

Critical Accounting Policies and Estimates

Our critical accounting policies and estimates are disclosed in our Annual Report on Form 10-K for the year ended December 31, 2021.

This management's discussion and analysis should be read in conjunction with the Company's Annual Report on Form 10-K for the year ended December 31, 2021 together with the consolidated financial statements and related notes and the other financial information that appear elsewhere in this report.

Three Months Ended March 31, 2022 Compared to Three Months Ended March 31, 2021

Assets Under Management

The following table reflects changes in our AUM for the three months ended March 31, 2022 and 2021:

	Three months ended March 31,		Period-to-Period	
	2022	2021	\$	%
	(in millions)			
Wealth Management ⁽⁴⁾				
Beginning assets under management	\$ 9,776.9	\$ 8,906.4	\$ 870.5	10 %
Gross client inflows ⁽¹⁾	242.0	224.8	17.2	8 %
Gross client outflows ⁽¹⁾	(330.0)	(305.3)	(24.7)	8 %
Market appreciation (depreciation) & other ⁽²⁾⁽³⁾	(514.1)	391.6	(905.7)	(231)%
Ending assets under management	<u>\$ 9,174.8</u>	<u>\$ 9,217.5</u>	<u>\$ (42.7)</u>	— %
Average AUM for period	\$ 9,381.6	\$ 8,993.0	\$ 388.6	4 %
Institutional and Intermediary ⁽⁴⁾				
Beginning assets under management	\$ 12,765.7	\$ 11,213.0	\$ 1,552.7	14 %
Gross client inflows ⁽¹⁾	486.4	401.6	84.8	21 %
Gross client outflows ⁽¹⁾	(1,007.8)	(453.5)	(554.3)	122 %
Market appreciation (depreciation) & other ⁽²⁾⁽³⁾	(769.9)	761.2	(1,531.1)	(201)%
Ending assets under management	<u>\$ 11,474.4</u>	<u>\$ 11,922.3</u>	<u>\$ (447.9)</u>	(4)%
Average AUM for period	\$ 11,949.3	\$ 11,454.3	\$ 495.0	4 %
Total assets under management				
Beginning assets under management	\$ 22,542.6	\$ 20,119.4	\$ 2,423.2	12 %
Gross client inflows ⁽¹⁾	728.4	626.4	102.0	16 %
Gross client outflows ⁽¹⁾	(1,337.8)	(758.8)	(579.0)	76 %
Market appreciation (depreciation) & other ⁽²⁾⁽³⁾	(1,284.0)	1,152.8	(2,436.8)	(211)%
Ending assets under management	<u>\$ 20,649.2</u>	<u>\$ 21,139.8</u>	<u>\$ (490.6)</u>	(2)%
Average AUM for period	\$ 21,330.9	\$ 20,447.3	\$ 883.6	4 %

(1) Transfers of client assets between portfolios are included in gross client inflows and gross client outflows.

(2) Market appreciation/(depreciation) and other includes investment gains/(losses) on assets under management, the impact of changes in foreign exchange rates and net flows from non-sales related activities including net reinvested dividends.

(3) Beginning in March 2021, AUM includes assets associated with our model-delivery business, previously classified as assets under advisement. These assets totaled \$429.9 million at December 31, 2020, comprised of \$62.5 million in our

wealth management channel and \$367.4 million in our institutional and intermediary channel. These amounts are included above in market appreciation (depreciation) and other for the three months ended March 31, 2021.

- (4) AUM and gross client flows between sales channels have been estimated based upon preliminary data. For a limited portion of our mutual fund AUM, reporting by sales channel is not available at the time of this report. Such estimates have no impact on total AUM, total cash flows, or AUM by investment portfolio reported in the table above.

Our total AUM decreased by \$0.5 billion from \$21.1 billion at March 31, 2021 to \$20.6 billion at March 31, 2022. The decrease was attributable to market appreciation of \$0.6 billion, offset by net client outflows of \$1.1 billion. Net client outflows consisted of approximately \$0.3 billion of net outflows for wealth management and \$0.8 billion for institutional and intermediary. By portfolio, the rates of change in AUM from March 31, 2021 to March 31, 2022 consisted of a \$0.5 billion, or 9% decrease in our equity portfolio, a \$26.2 million, or less than 1% decrease in our blended asset portfolio, and an increase of \$66.2 million, or 6% in our fixed income portfolio.

We have experienced an increase in the overall rate of outflows with gross outflows of approximately \$1.3 billion during the three months ended March 31, 2022, compared to \$0.8 billion from the same period through March 31, 2021. This increase is mainly driven by a large termination as well as a few larger withdrawals from institutional relationships. Gross client inflows were approximately \$0.7 billion during the three months ended March 31, 2022, a 16% increase compared to the same period in 2021.

The total AUM decrease of \$1.9 billion, or 8%, to \$20.6 billion at March 31, 2022 from \$22.5 billion at December 31, 2021 was attributable to market depreciation of \$1.3 billion, as well as net client cash outflows of \$0.6 billion. Included in net client flows during the three months ended March 31, 2022 were net client outflows in wealth management of approximately \$0.1 billion. The blended investment depreciation was 5.3% in wealth management and approximately 6.0% in institutional and intermediary. By portfolio, our \$1.9 billion AUM decrease was derived from decreases of \$0.9 billion, or 14%, in our equity portfolio, \$1.0 billion, or 6%, in our blended asset portfolio and \$9.2 million, or 1%, in our fixed income portfolio.

As of March 31, 2022, the composition of our AUM was 44% in wealth management and 56% in institutional and intermediary, consistent with March 31, 2021. The composition of our AUM across portfolios at March 31, 2022 was 69% in blended assets, 26% in equity, and 5% in fixed income, we have seen a slight increase in blended and corresponding decrease in our equity portfolios as our asset mix was 67% blended, 28% equity, and 5% fixed income assets as of March 31, 2021.

With regard to our wealth management channel, gross client inflows of \$0.2 billion were offset by approximately \$0.3 billion of gross client outflows during the three months ended March 31, 2022. Gross client inflows included \$0.2 billion into our blended asset portfolios, and less than \$0.1 billion into both our equity portfolios and fixed income portfolios. Outflows during the three months ended March 31, 2022 were \$0.3 billion, with 82% from blended portfolios, 12% from equity, and 6% from fixed income portfolios, respectively. The annualized separate account retention rate was 91% for the three months ended March 31, 2022, a decrease from the 96% for the rolling twelve months ended March 31, 2022.

Net client flows from our institutional and intermediary channel consisted of gross client inflows of \$0.5 billion, offset by gross client outflows of \$1.0 billion during the three months ended March 31, 2022. Gross client inflows included \$0.2 billion, or 48% into our blended asset portfolios, \$0.1 billion or 27% into our equity portfolios and \$0.1 billion or 25% into our fixed income portfolios during the three months ended March 31, 2022. With regard to institutional and intermediary client outflows, \$0.3 billion, or 29%, were from blended asset portfolios, \$0.6 billion or 64% were from our equity portfolios and \$0.1 billion, or 7%, was from our fixed income portfolios during the three months ended March 31, 2022.

The following table sets forth our results of operations and other data for the three months ended March 31, 2022 and 2021:

	Three months ended March 31,		Period-to-Period	
	2022	2021	\$	%
(in thousands, except share data)				
Revenues				
Investment management fees	\$ 30,827	\$ 29,676	\$ 1,151	4 %
Distribution and shareholder servicing	2,082	2,153	(71)	(3)%
Custodial services	1,677	1,645	32	2 %
Other revenue	963	677	286	42 %
Total revenue	35,549	34,151	1,398	4 %
Expenses				
Compensation and related costs	20,707	18,874	1,833	10 %
Distribution, servicing and custody expenses	2,280	2,358	(78)	(3)%
Other operating costs	11,477	6,710	4,767	71 %
Total operating expenses	34,464	27,942	6,522	23 %
Operating income	1,085	6,209	(5,124)	(83)%
Non-operating income (loss)				
Non-operating income (loss), net	(607)	458	(1,065)	(233)%
Income before provision for income taxes	478	6,667	(6,189)	(93)%
Provision for (benefit from) income taxes	(746)	703	(1,449)	(206)%
Net income attributable to controlling and noncontrolling interests	1,224	5,964	(4,740)	(79)%
Less: net income attributable to noncontrolling interests	38	724	(686)	(95)%
Net income attributable to Manning & Napier, Inc.	\$ 1,186	\$ 5,240	\$ (4,054)	(77)%
Per Share Data				
Net income per share available to Class A common stock				
Basic	\$ 0.06	\$ 0.31		
Diluted	\$ 0.06	\$ 0.26		
Weighted average shares of Class A common stock outstanding				
Basic	18,988,573	17,026,500		
Diluted	21,551,937	20,273,343		
Other financial and operating data				
Adjusted EBITDA ⁽¹⁾	\$ 3,080	\$ 6,933		

(1) See “Management’s Discussion and Analysis of Financial Condition and Results of Operations – Supplemental Non-GAAP Financial Information” for Manning & Napier’s reasons for including this non-GAAP measure in this report in addition to a reconciliation of non-GAAP financial measures to GAAP measures for the periods indicated.

Revenues

Our total investment management fee revenue increased by \$1.2 million, or 4%, to \$30.8 million for the three months ended March 31, 2022 from \$29.7 million for the three months ended March 31, 2021. This increase was driven primarily by a 4% increase in our average AUM to \$21.3 billion for the three months ended March 31, 2022 from \$20.4 billion for the three months ended March 31, 2021. Investment management fee revenue and average AUM increased year over year within each of our sales channels as discussed below.

For our wealth management sales channel, investment management fee revenue increased by \$0.8 million, or 5%, to \$16.1 million for the three months ended March 31, 2022 from \$15.3 million for the three months ended March 31, 2021. This increase is driven primarily by an 4% increase in our average wealth management AUM for the three months ended March 31, 2022 compared to the three months ended March 31, 2021. As of March 31, 2022, the concentration of assets in our wealth

management channel was 87% blended assets, 11% equity and 2% fixed income, compared to 87% blended assets, 10% equity and 3% fixed income at March 31, 2021.

For our institutional and intermediary sales channel, investment management fee revenue increased by \$0.4 million, or 3%, to \$14.7 million for the three months ended March 31, 2022 from \$14.3 million for the three months ended March 31, 2021. This increase is driven primarily by a 4%, or \$0.5 billion, increase in average institutional and intermediary AUM for the three months ended March 31, 2022 compared to the three months ended March 31, 2021. As of March 31, 2022 the concentration of assets in our institutional and intermediary channel was 53% blended assets, 39% equity and 8% fixed income, compared to 52% blended assets, 42% equity and 6% fixed income as of March 31, 2021.

Distribution and shareholder servicing revenue decreased by \$0.1 million, or 3%, to \$2.1 million for the three months ended March 31, 2022 from \$2.2 million for the three months ended March 31, 2021. This decrease was driven by a change in business mix within our mutual funds.

Custodial services revenue increased by less than \$0.1 million, or 2%, to \$1.7 million for the three months ended March 31, 2022 from \$1.6 million for the three months ended March 31, 2021. The increase primarily relates to a corresponding increase in our collective investment trust AUM for each period.

Operating Expenses

Our operating expenses increased by \$6.5 million to \$34.5 million for the three months ended March 31, 2022 from \$27.9 million for the three months ended March 31, 2021.

Compensation and related costs increased by \$1.8 million, or 10%, to \$20.7 million for the three months ended March 31, 2022 from \$18.9 million for the three months ended March 31, 2021. The increase was driven by the impacts of the implementation of a deferred compensation plan during the first quarter of 2021 and the corresponding one-time savings during the initial year of implementation. When considered as a percentage of revenue, compensation and related costs was 58% for the three months ended March 31, 2022 and 55% for the three months ended March 31, 2021.

Distribution, servicing and custody expenses decreased by \$0.1 million, or 3%, to \$2.3 million for the three months ended March 31, 2022 from \$2.4 million for the three months ended March 31, 2021. The expense decreased despite a 1% increase in mutual fund and collective investment trust average AUM for the three months ended March 31, 2022 compared to the three months ended March 31, 2021. AUM increases were concentrated in fund share classes where the company does not incur distribution and servicing fees. As a percentage of mutual fund and collective investment trust average AUM, distribution, servicing and custody expense was 0.15% for the three months ended March 31, 2022, compared to 0.17% for the three months ended March 31, 2021.

Other operating costs increased by \$4.8 million to \$11.5 million for the three months ended March 31, 2022 from \$6.7 million for the three months ended March 31, 2021. The increase was driven primarily by a \$1.9 million non-cash charge recorded in the current period for the impairment of capitalized costs in connection with hosted software arrangements as well as by increased professional fees and other merger related costs. We incurred the impairment charge after determining we would terminate portions of a software license agreement with a third-party service provider. The terminated services relate to the creation of an advisor portal and enhancement of our portfolio accounting and performance reporting functions, but do not represent a change in our strategic efforts to advance our digital transformation. We do not expect to incur future cash expenditures in connection with terminating these services. As a percentage of revenue, other operating costs for the three months ended March 31, 2022 was 32% compared to 20% for three months ended March 31, 2021.

Non-Operating Income (Loss)

Non-operating loss for the three months ended March 31, 2022 was \$0.6 million, a decrease of \$1.1 million, from non-operating income of \$0.5 million for the three months ended March 31, 2021. The following table reflects the components of non-operating income (loss) for the three months ended March 31, 2022 and 2021:

	Three months ended March 31,		Period-to-Period	
	2022	2021	\$	%
	(in thousands)			
Non-operating income (loss)				
Interest expense	\$ (1)	\$ (2)	\$ 1	44 %
Interest and dividend income ⁽¹⁾	40	123	(83)	(67)%
Net gains (losses) on investments ⁽²⁾	(646)	337	(983)	(292)%
Total non-operating income (loss)	<u>\$ (607)</u>	<u>\$ 458</u>	<u>\$ (1,065)</u>	<u>(233)%</u>

- (1) The decrease in interest and dividend income for the three months ended March 31, 2022 compared to 2021 is attributable to a decrease in interest rates.
- (2) The amount of net gain (loss) on investments held by us, to provide initial cash seeding for product development purposes and to hedge economic exposure to market movements on our deferred compensation plan, will vary depending on the performance and overall amount of our investments.

Provision for Income Taxes

We recognized a benefit from income taxes of \$0.7 million for the three months ended March 31, 2022, compared to a provision of \$0.7 million for the three months ended March 31, 2021. In each period, we recognized a benefit for incremental tax benefits realized from the vesting of restricted stock units and the exercise of stock options in the first quarter of 2021. This change in income taxes is attributed primarily to a reduction in earnings before income taxes during the three months ended March 31, 2022 compared to 2021. This decrease in income taxes for the three months ended March 31, 2022, compared to 2021 was partially offset by a higher portion of Manning & Napier Group's earnings subject to taxation at the C-Corporation level compared to the same period in 2021. Manning & Napier Inc.'s weighted ownership of Manning & Napier Group was 97.8% for the three months ended March 31, 2022, compared to 88.9% during the same period in 2021. This ownership increase is primarily the result of the annual exchange process between the Company and the holders of its noncontrolling interests.

Supplemental Non-GAAP Financial Information

To provide investors with greater insight into operating results, promote transparency, facilitate comparison of period-to-period results, and to allow a more comprehensive understanding of information used by management in its financial and operational decision-making, the Company supplements its consolidated statements of operations presented in accordance with accounting principles generally accepted in the United States of America ("GAAP") with non-GAAP financial measures of earnings. Please refer to the schedule in this release for a reconciliation of non-GAAP financial measures to GAAP measures.

Beginning with the release of our operating results for this quarter, we have moved away from economic income, economic net income and economic net income per adjusted share as supplemental non-GAAP measures. Given our current organizational structure and that the strategic restructuring efforts initiated in 2019 are substantially complete, we believe that the non-GAAP measure of Adjusted EBITDA is a more representative supplemental measure of our results. Management uses Adjusted EBITDA as a financial measure to evaluate the profitability and efficiency of the Company's business in the ordinary, ongoing and customary course of its operations. Adjusted EBITDA is not presented in accordance with GAAP, and removes the impact of interest, taxes, depreciation, amortization, and net gain (loss) on the tax receivable agreement (if any). Adjusted EBITDA also adds back net income (loss) attributable to the noncontrolling interests and assumes all income of Manning & Napier Group, LLC is allocated to the Company. Non-GAAP measures for prior periods have been revised to conform to the current period presentation.

Investors should consider this non-GAAP financial measure in addition to, and not as a substitute for, financial measures prepared in accordance with GAAP. Additionally, the Company's non-GAAP financial measures may differ from similar measures used by other companies, even if similar terms are used to identify such measures.

The following table sets forth, for the periods indicated, a reconciliation of non-GAAP financial measures to GAAP measures:

	Three months ended March 31,	
	2022	2021
	(in thousands, except share data)	
Net income attributable to Manning & Napier, Inc.	\$ 1,186	\$ 5,240
Add back: Net income attributable to noncontrolling interests	38	724
Add back: Provision for (benefit from) income taxes	(746)	703
Income before provision for income taxes	\$ 478	\$ 6,667
Add back: Interest income and expense, net	(19)	(108)
Add back: Depreciation	247	270
Add back: Amortization ⁽¹⁾	2,374	105
EBITDA	3,080	6,934
Add back: Change in liability under tax receivable agreement	—	—
Adjusted EBITDA	\$ 3,080	\$ 6,934

(1) Amortization for the three months ended March 31, 2022 includes a \$1.9 million non-cash charge recorded for the impairment of existing internal-use software.

Liquidity and Capital Resources

Historically, our cash and liquidity needs have been met primarily through cash generated by our operations and cash and cash equivalents on hand. Our financial condition at March 31, 2022 was highly liquid, with a significant amount of our assets comprised of cash and cash equivalents, accounts receivable and investment securities held by us for the purpose of optimizing short-term cash management and providing initial cash seeding for product development purposes.

The following table sets forth certain key financial data relating to our liquidity and capital resources as of March 31, 2022 and December 31, 2021:

	March 31, 2022	December 31, 2021
	(in thousands)	
Cash and cash equivalents	\$ 51,738	\$ 73,489
Accounts receivable	11,140	13,851
Investment securities	37,020	24,608
Amounts payable under tax receivable agreement ⁽¹⁾	\$ 17,772	\$ 17,772

(1) In light of numerous factors affecting our obligation to make such payments, the timing and amounts of any such actual payments are based on our best estimate as of March 31, 2022 and December 31, 2021, including our ability to realize the expected tax benefits. Actual payments may significantly differ from estimated payments.

We have no material assets other than our ownership of Class A units of Manning & Napier Group and, accordingly, will depend on distributions from Manning & Napier Group to pay taxes and operating expenses, as well as any dividends we may pay. As managing member of Manning & Napier Group, we will determine the timing and amount of any distributions to be paid to its members. We intend to cause Manning & Napier Group to distribute cash to its members, including us, in an amount sufficient to cover taxes and operating expenses, including dividends, if any, declared by us. If we do cause Manning & Napier Group to make such distributions, Manning & Napier Group Holdings, LLC ("M&N Group Holdings") and any other holders of units of Manning & Napier Group will be entitled to receive equivalent distributions on a pari-passu basis.

In determining the sufficiency of liquidity and capital resources to fund our business, we regularly monitor our liquidity position, including among other things, cash, working capital, long-term liabilities, lease commitments and operating company distributions.

On February 6, 2022, the Board of Directors approved a share repurchase program authorizing the purchase of up to \$10.0 million of Manning & Napier Inc. Class A common shares. The authority to repurchase shares will be exercised from

time to time as market conditions warrant, is subject to regulatory considerations and will expire on December 31, 2022. The timing, amount, and other terms and conditions of any repurchases will be determined by management at its discretion based on a variety of factors, including the market price of shares, general market and economic conditions, and legal requirements. It is possible that no shares will be repurchased. The repurchase program may be modified, discontinued or suspended at any time. The Company currently intends to fund the program through cash on hand and future cash flow.

On March 2, 2022, the Company's Board of Directors declared a \$0.05 per share dividend to the holders of Class A common stock. The dividend was paid on March 30, 2022 to shareholders of record as of March 16, 2022. On April 20, 2022, the Board of Directors declared a \$0.05 per share dividend to the holders of Class A common stock. The dividend is payable on or about May 20, 2022 to shareholders of record as of May 6, 2022. These cash dividends on our Class A common stock were, and any future dividends would be, funded from our portion of distributions made by Manning & Napier Group, from its available cash generated from operations.

As of March 31, 2022, a total of 428,812 units of Manning & Napier Group were held by the noncontrolling interests, including M&N Group Holdings. Pursuant to the terms of the annual exchange process, such units may be tendered for exchange or redemption.

With approximately \$88.8 million in cash and investment securities on hand as of March 31, 2022, we expect that we have sufficient liquidity available to meet our needs for the foreseeable future. We believe cash on hand and cash generated from operations will be sufficient over the next twelve months to meet our working capital requirements.

Cash Flows

The following table sets forth our cash flows for the three months ended March 31, 2022 and 2021. Operating activities consist primarily of net income subject to adjustments for changes in operating assets and liabilities, equity-based compensation expense, deferred income tax expense and depreciation and amortization. Investing activities consist primarily of the purchase and sale of investments for the purpose of providing initial cash seeding for product development and cash management purposes and purchases of property and equipment. Financing activities consist primarily of distributions to noncontrolling interests, purchases of treasury stock, dividends paid on our Class A common stock, payment of shares withheld to satisfy withholding requirements and purchases of Class A units held by noncontrolling interests of Manning & Napier Group.

	Three months ended March 31,	
	2022	2021
	(in thousands)	
Net cash used in operating activities	\$ (5,589)	\$ (5,727)
Net cash used in investing activities	(13,465)	(64)
Net cash used in financing activities	(2,697)	(6,649)
Net change in cash and cash equivalents	<u>\$ (21,751)</u>	<u>\$ (12,440)</u>

Three Months Ended March 31, 2022 Compared to Three Months Ended March 31, 2021

Operating Activities

Operating activities used \$5.6 million and \$5.7 million of net cash for the three months ended March 31, 2022 and 2021, respectively. This overall \$0.1 million decrease in net cash used in operating activities for the three months ended March 31, 2022 compared to 2021 was attributed to a decrease in net income after adjustment for non-cash items of approximately \$2.6 million during the three months ended March 31, 2022 compared to the same period of 2021. The decrease in net income after adjustment for non-cash items of \$5.4 million during the three months ended March 31, 2022 compared to \$8.0 million during the same period in 2021 was driven by lower revenues resulting from a decrease in our average AUM. This decrease in net cash used in operating activities was partially offset by changes in operating assets and operating liabilities of approximately \$2.8 million, driven by the timing and amount of payments of accrued incentive compensation.

Investing Activities

Investing activities used \$13.5 million and \$0.1 million of net cash for the three months ended March 31, 2022 and 2021, respectively. This change was driven by a decrease in cash from investing activities of \$13.1 million due to our funding of and timing of activity within our investment securities. During the three months ended March 31, 2022, we used approximately \$13.2 million, net, from the purchase, sale and maturity of investment securities compared to using \$0.1 million in the same period of 2021, primarily related to the funding of long term incentive awards and deferred compensation granted during the three months ended March 31, 2022 and invested in selected Manning & Napier mutual funds. We used approximately \$0.3 million and less than \$0.1 million of cash for the purchases of property and equipment during the three months ended March 31, 2022 and 2021, respectively.

Financing Activities

Financing activities used \$2.7 million and \$6.6 million of net cash for the three months ended March 31, 2022 and 2021, respectively. This overall \$4.0 million decrease is primarily the result of a decrease in cash used for the purchase of treasury shares under the share repurchase program. We used cash of \$3.0 million during the three months ended March 31, 2021 to repurchase shares whereas we did not purchase any shares during the three months ended March 31, 2022. In addition, we used cash of \$1.7 million and \$3.3 million during the three months ended March 31, 2022 and 2021, respectively, for the payment of shares withheld to satisfy withholding requirements in connection with the vesting of restricted stock units and exercise of stock options. This decrease in cash used is attributed to the timing and amount of restricted stock units vesting and stock options exercised during the respective periods. This decrease in cash used was partially offset by an increase in cash used of approximately \$1.0 million for dividends paid on Class A common stock as we did not pay cash dividends during the three months ended March 31, 2021.

Dividends

We have funded our historical quarterly cash dividends on our Class A common stock, and we believe any future dividends would be funded from our portion of distributions made by Manning & Napier Group, from its available cash generated from operations. Due to the market volatility and corresponding earnings volatility that could occur stemming from the COVID-19 pandemic, the Board of Directors did not approve any cash dividends on our Class A common stock after the dividend paid on May 1, 2020 until July 2021. Given the continued strength of our balance sheet, along with the renewed stability of our earnings, our Board of Directors reinstated the cash dividends on our Class A common stock while continuing our share repurchase program.

On March 2, 2022, the Company's Board of Directors declared a \$0.05 per share dividend to the holders of Class A common stock. The dividend was paid on March 30, 2022 to shareholders of record as of March 16, 2022.

On April 20, 2022, the Board of Directors declared a \$0.05 per share dividend to the holders of Class A common stock. The dividend is payable on or about May 20, 2022 to shareholders of record as of May 6, 2022.

The declaration and payment of all future dividends, if any, will be at the sole discretion of our Board of Directors. In determining the amount of any future dividends, our Board of Directors will take into account:

- the financial results of Manning & Napier Group;
- our available cash, as well as anticipated cash requirements, including any debt servicing and payments required under the TRA or the Exchange Agreement;
- our capital requirements and the capital requirements of our subsidiaries, including Manning & Napier Group;
- contractual, legal, tax and regulatory restrictions on, and implications of, the payment of dividends by us to our shareholders or distributions by Manning & Napier Group to us, including the obligation of Manning & Napier Group to make tax distributions to its unitholders, including us;
- general economic and business conditions, including the impact of the COVID-19 pandemic; and
- any other factors that our Board of Directors may deem relevant.

We have no material assets other than our ownership of Class A units of Manning & Napier Group and, accordingly, will depend on distributions from Manning & Napier Group to fund any dividends we may pay. As managing member of Manning & Napier Group, we will determine the timing and amount of any distributions to be paid to its members, other than mandatory tax distributions required under Manning & Napier Group's operating agreement. We intend to cause Manning & Napier Group to distribute cash to its members, including us, in an amount sufficient to cover dividends, if any, declared by us. If we do cause Manning & Napier Group to make such distributions, M&N Group Holdings and any other holders of units of Manning & Napier Group will be entitled to receive equivalent distributions on a pari passu basis.

On March 2, 2022, the Company's Board of Directors approved a \$2.0 million distribution from Manning & Napier Group to Manning & Napier and the noncontrolling interests of Manning & Napier Group, of which less than \$0.1 million was paid to the noncontrolling members of Manning & Napier Group.

On April 20, 2022, the Company's Board of Directors approved a \$2.0 million distribution from Manning & Napier Group to Manning & Napier and the noncontrolling interests of Manning & Napier Group, of which less than \$0.1 million will be paid to the noncontrolling members of Manning & Napier Group.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

As a "smaller reporting company," we are not required to provide this information.

Item 4. Controls and Procedures

Disclosure Controls and Procedures

Our management, including our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures as of March 31, 2022 pursuant to Rule 13a-15 under the Exchange Act. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that, as of March 31, 2022, our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Exchange Act) were effective to ensure that information we are required to disclose in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosures.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting during the quarter ended March 31, 2022 that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II—OTHER INFORMATION

Item 1A. Risk Factors

We have set forth in Item 1A to our Annual Report on Form 10-K for the year ended December 31, 2021 risk factors relating to our business, our industry, our structure and our Class A common stock. Readers of this Quarterly Report on Form 10-Q are referred to such Item 1A for a more complete understanding of risks concerning our company. Except as discussed below, there have been no material changes in our risk factors since those published in such Form 10-K for the year ended December 31, 2021.

The announcement and pendency of the Merger may adversely affect our business and results of operations.

Uncertainty about the effect of the transactions contemplated by the Merger Agreement on our employees, clients, and other parties may have an adverse effect on our business or results of operations regardless of whether the Merger is completed. These risks include, but are not limited to, the following, all of which could be increased by a delay in or abandonment of the Merger:

- our ability to attract, retain, and motivate employees, including key personnel, could be impaired;
- significant management time and resources could be diverted to the consummation of the Merger instead of our day-to-day operations;
- relationships with clients and other business partners could be affected;
- clients may choose to withdraw their funds from our investment solutions instead of consenting to the assignment of their agreements with us to Callodine Midco, Inc (the "Parent");
- we may not be able to pursue alternative business opportunities or make appropriate changes to our business;
- litigation relating to the Merger could arise; and
- significant costs, expenses, and fees for professional services and other transaction costs in connection with the Merger have been and may continue to be incurred.

The pendency of the Merger may also exacerbate other risks discussed elsewhere in the "Risk Factors" section of the Form 10-K, any of which could have a material effect on us.

Failure to consummate the Merger within the expected timeframe, or at all, could have a material adverse impact on our business, financial condition, results of operations and the price of our Class A Common Stock.

There can be no assurance that the proposed Merger will be consummated. The consummation of the Merger is subject to the satisfaction or waiver of specified closing conditions, including the affirmative vote of at least a majority of combined voting power of our outstanding shares, the approval of new investment advisory agreements for our clients, the approval of the Bank Commissioner of New Hampshire, the expiration or termination of the Hart-Scott-Rodino waiting period, the approval of the Financial Industry Regulatory Authority of a continuing membership application by Manning & Napier Investor Services, Inc., and other customary closing conditions. The failure to satisfy all of the required conditions could delay the completion of the Merger for a significant period of time or prevent them from occurring at all. There can be no assurance that these and other conditions to closing will be satisfied in a timely manner or at all.

The Merger Agreement also provides that the Merger Agreement may be terminated by us or by Parent under certain circumstances, and in certain specified circumstances upon termination of the Merger Agreement we would be required to pay Parent a termination fee equal to \$8,790,000. If we are required to make this payment, doing so would materially adversely affect our business, financial condition and results of operations.

Our failure to consummate the Merger could result in negative publicity and a negative impression of our company among our clients and in the investment and business community in general. Further, any disruptions to our business resulting from the proposed acquisition, including any adverse changes in our relationships with our clients and employees, could continue or accelerate in the event that the Merger is not completed. In addition, if the transactions contemplated by the Merger Agreement are not completed, and there are no other parties willing and able to acquire us at a price of \$12.85 per share or higher, on terms acceptable to us, the share price of our Class A Common Stock would likely decline. Also, we have incurred, and will continue to incur, significant costs, expenses and fees for professional services and other transaction costs in connection with the proposed Merger. Many of these fees and costs will be payable by us even if the proposed Merger is not completed and may relate to activities that we would not have undertaken in the absence of the transactions contemplated by the Merger Agreement.

Our failure to comply with applicable regulatory requirements associated with the transaction could adversely impact the Company's ongoing business, financial condition, financial results and stock price.

The Merger is subject to the expiration or termination of applicable antitrust waiting periods and the receipt of approvals, consents or clearances from regulatory authorities that may impose conditions that, if not obtained, could prevent completion of the Merger.

Before the Merger may be completed, any applicable waiting period (and any extension thereof) under the Hart-Scott-Rodino Act relating to the completion of the Merger must have expired or been terminated and any authorization or consent from a governmental authority required to be obtained with respect to the Merger must have been obtained. The terms and conditions of the authorizations and consents that are granted, if any, may impose requirements, limitations or costs or place restrictions on the conduct of the combined company's business or may materially delay the completion of the Merger.

In addition, at any time before or after the completion of the Merger, and notwithstanding the termination of applicable waiting periods, the applicable U.S. regulatory authorities or any state attorney general could take such action under antitrust laws as such party deems necessary or desirable in the public interest. Such action could include, among other things, seeking to enjoin the completion of the Merger. In addition, in some circumstances, a third party could initiate a private action challenging, seeking to enjoin, or seeking to impose conditions on the Merger. Parent and the Company may not prevail and may incur significant costs in defending or settling any such action.

There can be no assurance that the conditions to the completion of the Merger set forth in the Merger Agreement relating to applicable regulatory requirements will be satisfied.

Litigation related to the Merger may prevent the Merger from being consummated at all or within the expected timeframe and may result in substantial costs to us.

Litigation is common in connection with sales of publicly traded companies similar to us. We and our directors and officers may become parties to lawsuits relating to the Merger, which, even if these lawsuits are without merit, could be time consuming, expensive and divert the attention of our management from operating our business. Stockholder litigation challenging the proposed Merger may delay completion of the Merger in the expected timeframe or at all, particularly if the plaintiffs in any such litigation are successful in obtaining an injunction prohibiting the parties from consummating the Merger on the terms contemplated by the Merger Agreement. If we experience the potential consequences of any of the foregoing risks, our results of operations, financial condition and prospects could be materially and adversely affected.

The Merger Agreement contains provisions that could discourage a potential competing transaction.

Under the terms of the Merger Agreement, after the 40-day go-shop process, we have agreed not to solicit or encourage discussions with third parties regarding other acquisition proposals; provided that we may under certain circumstances and in compliance with certain obligations, provide non-public information and engage in discussions and negotiations with respect to an unsolicited acquisition proposal that constitutes or is reasonably expected to lead to a proposal that is superior to Parent's proposal. We are subject to certain restrictions on our ability to respond to such proposals, except in circumstances permitted by the Merger Agreement. In the event that we receive a competing proposal from a third party that our Board of Directors concludes in good faith is superior to Parent's proposal, we must notify Parent of that proposal and negotiate in good faith with Parent prior to recommending any such competing proposal to our stockholders. In the event that we were to accept a competing proposal, or our Board of Directors otherwise determines that completing the Merger would not be in the best interest of our stockholders, we would be required to pay a termination fee equal to \$8,790,000. We may still owe the \$8,790,000 termination fee to Parent if the Merger Agreement is terminated by the Parent because we breached the Merger Agreement or the Board recommends a proposal superior to Parent's proposal to our stockholders, and if we engage in certain transactions within 12 months after the termination of the Merger Agreement.

These provisions could discourage potential bids or offers from other third parties, including third parties that might otherwise be willing to offer consideration with a higher value than the \$12.85 per share payable by Parent pursuant to the Merger Agreement. In addition, if the Merger Agreement is terminated and we decide to pursue another business combination transaction, we may be unable to negotiate a transaction with another party on terms comparable to those contemplated by the Merger Agreement.

Our executive officers and directors may have interests that are different from, or in addition to, those of our stockholders generally.

Our executive officers and directors may have interests in the Merger that are different from, or are in addition to, those of our stockholders generally. These interests include direct or indirect ownership of our Class A Common Stock, which entitles them to the cash consideration in the Merger, and restricted stock units, which would be canceled and replaced with an equivalent award of an affiliate of the Parent ("TopCo"). In addition, our executive officers may have certain rights to severance and other payments in the event that their employment is terminated following the consummation of the contemplated Merger.

Our executive officers who hold shares of Class A Common Stock entered into a support agreement (“Support Agreement”), pursuant to which they have agreed to vote each of the shares they beneficially own in favor of the Merger, the approval of the Merger Agreement and any other matters necessary for the consummation of the Merger and other transactions contemplated by the Merger Agreement.

In particular, our Chairman and Chief Executive Officer has interests in the Merger that may differ from our stockholders generally. Mr. Mayer entered into a rollover agreement with Parent pursuant to which Mr. Mayer agreed to contribute (at the closing of the Merger) 175,902 shares of Class A Common Stock and 500,000 options to purchase Class A Common Stock to TopCo in exchange for equity interests and options in TopCo. Mr. Mayer also entered into the Support Agreement. Finally, Mr. Mayer entered into an employment agreement with Parent, effective as of the closing of the Merger (“Employment Agreement”). Pursuant to the Employment Agreement, Mr. Mayer will (i) serve as chief executive officer of the surviving company following the closing of the Merger, (ii) receive a base salary of \$600,000 per annum, (iii) be eligible to receive a cash bonus with a target range for 2022 of between \$3,000,000 to \$3,500,000, and (iv) be eligible to participate in the surviving company’s employee benefits plans. The Employment Agreement also provides that if Mr. Mayer’s employment is terminated by the employer without cause, or if Mr. Mayer resigns for good reason, Mr. Mayer will receive cash severance in the amount of \$5 million payable over the two-year period following the termination date. In addition, the Employment Agreement provides for up to 40% of each annual incentive to be deferred and paid in the form of a vested award pursuant to the Company’s deferred incentive compensation program and/or one or more employer equity instruments.

We are subject to contractual restrictions while the Merger is pending.

The Merger Agreement generally requires us to operate our business in the ordinary course of business consistent with past practice, but restricts us from taking specified actions while the Merger is pending without the consent of Parent, including, among other things, restrictions on our ability to acquire other businesses and assets, dispose of our assets, enter into, modify, or terminate certain contracts, repurchase or issue securities, declare or pay dividends or distributions over specified limits, incur certain indebtedness, accelerate or increase the compensation of certain employees, among other customary restrictions. These restrictions may prevent us from pursuing attractive business opportunities or responding effectively and/or timely to competitive pressures and industry developments that may arise prior to the completion of the pending Merger or otherwise adversely affect our ability to execute on our business strategy, which could adversely affect our business or financial condition.

Item 6. Exhibits

Exhibit No.	Description
2.1	Merger Agreement, dated March 31, 2022, by and among Callodine Midco, Inc., Callodine Merger Sub, Inc., Callodine Merger Sub, LLC, Manning & Napier, Inc., and Manning & Napier Group, LLC is incorporated herein by reference to Exhibit 2.1 to the Company's Current Report on Form 8-K, filed with the Securities and Exchange Commission on April 1, 2022
10.1	Support Agreement, dated March 31, 2022, by and among Callodine MidCo, Inc. and executive officers of Manning & Napier, Inc.
10.2	Rollover Agreement, dated March 31, 2022, by and among Callodine MN Holdings, Inc. and Marc Mayer
10.3*	Employment Agreement, dated March 31, 2022, by and among Callodine MidCo, Inc. and Marc Mayer
31.1	Certification of the Company's Principal Executive Officer pursuant to Exchange Act Rules 13a-14(a)/15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification of the Company's Principal Financial Officer pursuant to Exchange Act Rules 13a-14(a)/15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certification of the Company's Principal Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2	Certification of the Company's Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101	Materials from the Manning & Napier, Inc. Quarterly Report on Form 10-Q for the quarter ended March 31, 2022, formatted in Extensible Business Reporting Language (XBRL): (i) Consolidated Statements of Financial Condition, (ii) Consolidated Statements of Operations, (iii) Consolidated Statements of Comprehensive Income, (iv) Consolidated Statements of Shareholders' Equity, (v) Consolidated Statements of Cash Flows, and (vi) related Notes to the Unaudited Consolidated Financial Statements.
104	Cover Page Interactive Data File (included in Exhibit 101)

* Management contract or compensatory plan or arrangement

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

MANNING & NAPIER, INC.

Dated: May 10, 2022

By: /s/ Marc Mayer
Marc Mayer
Chief Executive Officer
(principal executive officer)

/s/ Paul J. Battaglia
Paul J. Battaglia
Chief Financial Officer
(principal financial and accounting officer)

STOCKHOLDER SUPPORT AGREEMENT

THIS STOCKHOLDER SUPPORT AGREEMENT (this “**Agreement**”) is entered into as of March 31, 2022, by and among Callodine MidCo, Inc., a Delaware corporation (“**Parent**”) and the holder of Common Stock (as defined below) identified on the signature page hereto (“**Stockholder**”).

RECITALS

WHEREAS, Stockholder is, as of the date hereof, the holder of record and/or the “beneficial owner” (within the meaning of Rule 13d-3 under the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”)) of the number of shares of Class A common stock, par value \$0.01 per share (the “**Common Stock**”), of Manning & Napier, Inc., a Delaware corporation (the “**Company**”), as identified on Exhibit A attached hereto.

WHEREAS, Parent, Callodine Merger Sub, Inc., a Delaware corporation (which is an indirect wholly owned subsidiary of Parent) (“**Corp Merger Sub**”), the Company and the other parties thereto are entering into an Agreement and Plan of Merger of even date herewith (such agreement, as it may be amended, the “**Merger Agreement**”), which provides (subject to the conditions set forth therein) for, among other things, the merger (the “**Merger**”) of Corp Merger Sub with and into the Company with the Company as the surviving company in the Merger.

WHEREAS, Stockholder is entering into this Agreement in order to induce Parent to enter into the Merger Agreement and cause the Merger to be consummated.

AGREEMENT

The parties to this Agreement, intending to be legally bound, agree as follows:

ARTICLE I CERTAIN DEFINITIONS

For purposes of this Agreement:

(a) Capitalized terms used but not otherwise defined in this Agreement have the meanings assigned to such terms in the Merger Agreement.

(b) “Covered Securities” shall mean (i) all equity securities and equity interests of the Company (including the Common Stock) Owned by Stockholder as of the date hereof and (ii) all additional equity securities and equity interests of the Company (including the Common Stock) of which Stockholder acquires Ownership during the period from the date of this Agreement through the Expiration Date (including by way of bonus issue, option exercise, vesting of any restricted stock unit award, share dividend or distribution, sub-division, recapitalization, consolidation, exchange of shares and the like).

(c) “Expiration Date” shall mean the earliest of: (i) the date on which the Merger Agreement is validly terminated pursuant to and in accordance with Article VII thereof;

(ii) the Company Merger Effective Time; (iii) the completion of the Company Stockholders Meeting, including any adjournment or postponement thereof; and (iv) written notice of termination of this Agreement by Parent to the Stockholders.

(d) A Stockholder shall be deemed to “Own” or to have acquired “Ownership” of a security if such Stockholder: (i) is the record owner of such security; or (ii) is the “beneficial owner” (within the meaning of Rule 13d-3 under the Exchange Act) of such security.

(e) A Person shall be deemed to have effected a “Transfer” of a security if such Person directly or indirectly (including, without limitation, through an economic participation or swap arrangement): (i) sells, assigns, pledges, encumbers, grants an option with respect to, transfers or disposes of such security, or any interest in such security, to any Person other than Parent or Corp Merger Sub; (ii) enters into an agreement or commitment (whether or not in writing) contemplating the sale of, assignment of, pledge of, encumbrance of, grant of an option with respect to, or transfer of or disposition of such security or any interest therein to any Person other than Parent or Corp Merger Sub; or (iii) reduces such Person’s beneficial ownership of or interest in such security.

(f) “Voting Period” shall mean the period commencing on (and including) the date of this Agreement and ending on (and including) the Expiration Date.

ARTICLE II TRANSFER OF COVERED SECURITIES AND VOTING RIGHTS

Section 2.1 Restriction on Transfer of Covered Securities. Subject to Section 2.3, during the Voting Period, Stockholder shall not, directly or indirectly, Transfer any of the Covered Securities or cause or permit any Transfer of any of the Covered Securities to be effected. Without limiting the generality of the foregoing, during the Voting Period, Stockholder shall not tender, agree to tender or permit to be tendered any of the Covered Securities in response to or otherwise in connection with any tender or exchange offer.

Section 2.2 Restriction on Transfer of Voting Rights. During the Voting Period, Stockholder shall not: (a) deposit any of the Covered Securities into a voting trust; (b) grant any proxy with respect to any of the Covered Securities; or (c) other than this Agreement, enter into any tender, voting or other similar agreement or arrangement, with respect to any of the Covered Securities.

Section 2.3 Permitted Transfers. Section 2.1 shall not prohibit a Transfer of Covered Securities by Stockholder: (a) if Stockholder is an individual (i) to any member of Stockholder’s immediate family, or to a trust for the benefit of Stockholder or any member of Stockholder’s immediate family, in each case for the purposes of estate planning, (ii) upon the death of Stockholder, to any member of Stockholder’s immediate family, or to a trust for the benefit of any member of Stockholder’s immediate family or (iii) to any entity or Person Controlled by Stockholder; (b) if Stockholder is not an individual, to one or more partners or members of Stockholder or to an affiliated entity under common control with Stockholder; *provided, however*, that a Transfer referred to in this sentence shall be permitted only if, (x) as a precondition to such Transfer, the transferee agrees in a written document satisfactory in form and substance to Parent

to be bound by all of the terms of this Agreement, and (y) such Transfer is effected no later than three Business Days prior to the scheduled date of the Company Stockholders Meeting (or any adjournment or postponement thereof) and does not delay, hinder or impede (as determined by Parent) (A) the timely voting of the Covered Securities in accordance with Section 3.1 or (B) the consummation of the Merger; or (c) if and to the extent that Stockholder is Transferring its Common Stock to Parent pursuant to a Rollover Agreement between Callodine MN Holdings, Inc. (a Delaware corporation and of which Parent is a direct wholly owned Subsidiary) and Stockholder.

Section 2.4 Other Restrictions. During the Voting Period, Stockholder shall not take any action that would restrict, limit or interfere with the performance of any of Stockholder's obligations under this Agreement or the transactions contemplated hereby or by the Merger Agreement, or seek to do or solicit any of the actions prohibited in this Article II.

Section 2.5 Stop Transfer Instructions. At all times commencing with the execution and delivery of this Agreement and continuing until the Expiration Date, in furtherance of this Agreement, Stockholder hereby authorizes Parent to direct the Company or its counsel to notify the Company's transfer agent that there is a stop transfer order with respect to all of the Covered Securities (and that this Agreement places limits on the voting and transfer of the Covered Securities), subject to the provisions hereof; provided that any such stop transfer order and notice will immediately be withdrawn and terminated following the Expiration Date and shall not apply to any Transfer permitted under Section 2.3.

Section 2.6 Acquisition of Covered Securities. In the event that Stockholder acquires or receives any Covered Securities (or any right or interest therein) after the execution of this Agreement, Stockholder shall promptly deliver to Parent a written notice indicating the number of such Covered Securities (or right or interest therein) so acquired or received.

ARTICLE III VOTING OF SHARES

Section 3.1 Voting Covenant. Stockholder hereby agrees that, during the Voting Period, at any meeting of the stockholders of the Company (and at every adjournment or postponement thereof), however called (including the Company Stockholders Meeting), and in any written action by consent of the stockholders of the Company, Stockholder shall cause the Covered Securities to be voted (including via proxy):

(a) in favor of (i) the Merger, (ii) each of the other actions contemplated by the Merger Agreement and (iii) any action in furtherance of any of the foregoing;

(b) against approval of any other Acquisition Proposal or other proposal made in opposition to or in competition with the Merger or the Merger Agreement and against any action or agreement that would result in a breach of any representation, warranty, covenant or obligation of the Company in the Merger Agreement; and

(c) against any of the following actions (other than the Merger): (i) any extraordinary corporate transaction, such as a merger, consolidation or other business combination involving the Company or any of its Subsidiaries; (ii) any sale, lease, sublease, license, sublicense

or transfer of a material portion of the properties, rights or other assets of the Company or any of its Subsidiaries; (iii) any reorganization, restructuring, recapitalization, dissolution or liquidation of the Company or any of its Subsidiaries; and (iv) any other action which is intended or would reasonably be expected to impede, interfere with, delay, postpone or adversely affect the Merger (the matters set forth in clauses (a) through (c) of this Section 3.1, the “Covered Proposals”).

Section 3.2 Other Voting Agreements.

(a) During the Voting Period, Stockholder shall not (i) enter into any agreement or understanding with any Person to vote or give instructions in any manner inconsistent with clause (a), clause (b) or clause (c) of Section 3.1, or (ii) grant a proxy or power of attorney with respect to any of the Covered Securities that is inconsistent with this Agreement, or otherwise take any other action with respect to any of the Covered Securities that would reasonably be expected to prevent the performance of any of Stockholder’s obligations hereunder or any of the actions contemplated hereby.

(b) During the Voting Period, at every meeting of the stockholders of the Company (and at every adjournment or postponement thereof), however called (including the Company Stockholders Meeting) relating to a Covered Proposal, Stockholder shall be represented in person or by proxy at such meeting in order for the Covered Securities to be counted as present for purposes of establishing a quorum.

ARTICLE IV REPRESENTATIONS AND WARRANTIES OF STOCKHOLDER

Stockholder hereby represents and warrants to Parent as follows:

Section 4.1 Authorization, etc. Stockholder has the right, power, authority and capacity to execute and deliver this Agreement and to perform Stockholder’s obligations hereunder. This Agreement has been duly executed and delivered by Stockholder and constitutes the legal, valid and binding obligation of Stockholder, enforceable against Stockholder in accordance with its terms, subject to: (a) Laws of general application relating to bankruptcy, insolvency and the relief of debtors; and (b) rules of Law governing specific performance, injunctive relief and other equitable remedies.

Section 4.2 No Conflicts or Consents.

(a) Subject to the applicable filing and disclosure requirements of the Exchange Act, the execution and delivery of this Agreement by Stockholder does not, and the performance of this Agreement by Stockholder will not: (i) conflict with or violate any Law or Order applicable to Stockholder or by which Stockholder or any of Stockholder’s properties is or may be bound or affected; or (ii) result in or constitute (with or without notice or lapse of time or both) any breach of or default under, or give to any other Person (with or without notice or lapse of time or both) any right of termination, amendment, acceleration or cancellation of, or require any notice or consent under or result (with or without notice or lapse of time or both) in the creation of any Lien on any of the Covered Securities pursuant to, any Contract to which Stockholder is a party or is otherwise bound.

(b) The execution and delivery of this Agreement by Stockholder does not, and the performance of this Agreement by Stockholder will not, require any consent of any Person (including of the spouse of Stockholder, if applicable).

Section 4.3 Title to Securities. (a) As of the date hereof, Stockholder holds of record (free and clear of any Liens) the number of outstanding shares of Common Stock set forth opposite Stockholder's name under the heading "Shares of Common Stock Held of Record" on Exhibit A hereto; (b) as of the date hereof, Stockholder Owns the additional securities of the Company set forth opposite Stockholder's name under the heading "Additional Securities Beneficially Owned" on Exhibit A hereto; (c) as of the date hereof, Stockholder does not directly or indirectly Own any shares of capital stock or other securities of the Company (including any shares of Common Stock, or options, warrants, restricted stock units and other rights to acquire shares of Common Stock) or other right to acquire (by purchase, conversion or otherwise) any shares of capital stock or other securities of the Company, other than the shares, options, warrants, restricted stock units and other rights set forth on Exhibit A hereto; (d) Stockholder is not a party to any voting trusts, proxies or other agreements (other than the Rollover Agreement, if applicable) with respect to the voting, acquisition, disposition, registration or transfer of the outstanding shares of Common Stock or additional securities set forth on Exhibit A hereto; and (e) Stockholder does not have any outstanding rights or obligations to repurchase, redeem or otherwise acquire any outstanding shares of capital stock or other ownership interests in the Company, other than the shares, options, warrants, restricted stock units and other rights set forth on Exhibit A hereto, and no other Person has any such right or obligation in respect of the Covered Securities.

Section 4.4 Accuracy of Representations. The representations and warranties contained in this Agreement are accurate and complete in all respects as of the date of this Agreement, and will be accurate in all respects at all times through and including the Expiration Date as if made as of any such time or date.

ARTICLE V MISCELLANEOUS

Section 5.1 Stockholder Information. Stockholder hereby agrees to permit Parent and Corp Merger Sub to publish and disclose in any press release, the Proxy Statement, the Schedule 13E-3 and any other filing or disclosure required under the Exchange Act or otherwise required in connection with the Merger Agreement and the transactions contemplated thereby, including the Merger, Stockholder's identity and his, her or its ownership of shares of Common Stock and any other Covered Securities and the nature of Stockholder's commitments, arrangements and understandings under this Agreement (including, for the avoidance of doubt, the disclosure of this Agreement).

Section 5.2 No Solicitation. After the No-Shop Period Start Date and for the remainder of the Voting Period, Stockholder (in its, his or her capacity as a stockholder) shall not (and shall use reasonable efforts to cause its, his or her representatives acting on its, his or her behalf, not to) directly or indirectly: (a) solicit, initiate, knowingly encourage or knowingly facilitate any inquiry, proposal or offer with respect to, or the announcement, making or completion of, any Acquisition Proposal or any inquiry, proposal or offer that would reasonably be expected to lead to any Acquisition Proposal; (b) enter into, engage in, continue or otherwise participate in any discussions

or negotiations regarding, or furnish to any Person (other than Parent or its Representatives or the Company and its Representatives) any non-public information or data in furtherance of, any Acquisition Proposal or any inquiry, proposal or offer that would reasonably be expected to lead to any Acquisition Proposal; or (c) agree or publicly propose to take any of the actions referred to in this Section 5.2 or otherwise prohibited by this Agreement. Notwithstanding anything in this Section 5.2 to the contrary, at and subject to the direction of the Company Board, Stockholder (only in his or her capacity as a director, officer or employee of the Company and/or its Subsidiaries, as and if applicable) may participate in discussions and negotiations with, and furnish information and data to, any Person with whom the Company Board has determined to engage in discussions and negotiations, and with whom the Company Board is then engaging in discussions and negotiations, in each case pursuant to and in compliance with Section 5.3 of the Merger Agreement.

Section 5.3 No Legal Action. Subject to Section 5.19, Stockholder shall not, and shall direct its representatives not to, bring, commence, institute, maintain or prosecute any Action which (a) challenges the validity of or seeks to enjoin the operation of any provision of this Agreement, or (b) alleges that the execution and delivery of this Agreement by Stockholder breaches any duty that Stockholder has (or may be alleged to have) to the Company or to the other holders of Common Stock.

Section 5.4 Certain Adjustments. In the event of a stock split, stock dividend or distribution, or any change in the Common Stock by reason of any split-up, reverse stock split, recapitalization, combination, reclassification, exchange of shares or the like, the terms "Common Stock" and "Covered Securities" shall be deemed to refer to and include any shares of Common Stock or other Covered Securities received in such transaction as well as all stock dividends and distributions and any securities into which or for which any or all of such shares may be changed or exchanged or which are received in such transaction if such security would otherwise constitute shares of Common Stock or Covered Securities.

Section 5.5 Termination; Survival. This Agreement shall automatically terminate without any action by any party hereto and shall be of no further force and effect upon the Expiration Date; provided that Sections 5.5 through 5.21 and 5.23 shall survive the termination of this Agreement. Except as expressly set forth herein, none of the representations, warranties, covenants and agreements made by Stockholder in this Agreement, and Parent's rights and remedies with respect thereto, shall survive the Expiration Date; provided that, notwithstanding the foregoing, any claims asserted in good faith with reasonable specificity (to the extent known at such time) and in writing by notice from the non-breaching party to the breaching party before the Expiration Date shall not thereafter be barred by the expiration of the relevant representation, warranty, covenant, agreement, right or remedy, and such claims shall survive until finally resolved.

Section 5.6 Further Assurances; Notice of Certain Events. From time to time and without additional consideration, Stockholder shall execute and deliver, or cause to be executed and delivered, such additional transfers, assignments, endorsements, proxies, consents and other instruments, and shall take such further actions, as Parent may reasonably request for the purpose of carrying out and furthering the intent of this Agreement. Stockholder shall notify Parent in writing promptly of (a) any known fact, event or circumstance that would constitute a breach of

the representation and warranties of Stockholder under this Agreement, or (b) the receipt by Stockholder of any notice or other communication from any Person alleging that the consent of such Person is or may be required in connection with this Agreement.

Section 5.7 Expenses. All costs and expenses incurred in connection with the transactions contemplated by this Agreement shall be paid by the party incurring such costs and expenses.

Section 5.8 Notices. Notices, requests, instructions or other documents to be given under this Agreement shall be in writing and shall be deemed given, (a) when delivered, if delivered personally to the intended recipient, (b) upon transmission, if sent by email (provided no "bounceback" or notice of non-delivery is received) and (c) one Business Day later, if sent by overnight delivery via a national courier service (providing proof of delivery), and in each case, addressed to a party at the following address for such party:

If to a Stockholder:

at its address set forth on its signature page hereof; and If to Parent:

Callodine MidCo, Inc.
c/o Callodine Group, LLC Two International Place
Suite 1830
Boston, MA 02110
Attn: Austin McClintock

E-mail: AMcClintock@Callodine.com with a copy (which shall not

constitute notice) to:

Sidley Austin LLP
1501 K Street, N.W. Washington, D.C. 20005
Attention: Karen Dewis
E-mail: kdewis@sidley.com

Sidley Austin LLP
1999 Avenue of the Stars, 17th Floor Los Angeles, CA 90067
Attention: Stephen Ballas
E-mail: sballas@sidley.com

Sidley Austin LLP
60 State Street, 36th Floor Boston, MA 02109
Attention: Elizabeth Shea Fries E-mail: efries@sidley.com

Section 5.9 Severability. Any term or provision of this Agreement that is invalid or unenforceable in any situation in any jurisdiction shall not affect the validity or enforceability of the remaining terms and provisions hereof or the validity or enforceability of the offending term or provision in any other situation or in any other jurisdiction. If the final judgment of a court of competent jurisdiction declares that any term or provision hereof is invalid or unenforceable, the parties hereto agree that the court making such determination shall have the power to limit the term or provision, to delete specific words or phrases, or to replace any invalid or unenforceable term or provision with a term or provision that is valid and enforceable and that comes closest to expressing the intention of the invalid or unenforceable term or provision, and this Agreement shall be enforceable as so modified. In the event such court does not exercise the power granted to it in the prior sentence, the parties hereto agree to replace such invalid or unenforceable term or provision with a valid and enforceable term or provision that will achieve, to the extent possible, the economic, business and other purposes of such invalid or unenforceable term or provision.

Section 5.10 Entire Agreement. This Agreement, the Merger Agreement and any other documents delivered by the parties in connection herewith constitute the entire agreement between the parties with respect to the subject matter hereof and thereof and supersede all prior agreements and understandings between the parties with respect thereto.

Section 5.11 Amendments. This Agreement may not be amended, modified, altered or supplemented other than by means of a written instrument duly executed and delivered by Parent and Stockholder.

Section 5.12 Assignment; Binding Effect; No Third Party Rights. Except as expressly permitted under Section 2.3, neither this Agreement nor any of the interests or obligations hereunder may be assigned or delegated by Stockholder without the prior written consent of Parent, and any attempted or purported assignment or delegation of any of such interests or obligations shall be void. Subject to the preceding sentence, this Agreement shall be binding upon Stockholder and Stockholder's heirs, estate, executors and personal representatives and Stockholder's successors and permitted assigns, and shall inure to the benefit of Parent and its successors and assigns. Without limiting any of the restrictions set forth in Article II, Article III or elsewhere in this Agreement, this Agreement shall be binding upon any Person to whom any Covered Securities are Transferred. Nothing in this Agreement is intended to confer on any Person (other than Parent, Corp Merger Sub and their successors and assigns) any rights or remedies of any nature.

Section 5.13 Specific Performance. The parties agree that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed in accordance with the specific terms or were otherwise breached. Stockholder agrees that, in the event of any breach or threatened breach by Stockholder of any covenant or obligation contained in this Agreement, Parent shall be entitled, without any proof of actual damage (and in addition to any other remedy that may be available to it, including monetary damages) to obtain: (a) a decree or order of specific performance to enforce the observance and performance of such covenant or obligation; and (b) an injunction restraining such breach or threatened breach. Stockholder further agrees that neither Parent nor any other Person shall be required to obtain, furnish or post any bond or similar instrument in connection with or as a condition to obtaining any remedy referred to in this Section 5.13, and Stockholder irrevocably waives any right Stockholder may have to require the obtaining, furnishing or posting of any such bond or similar instrument.

Section 5.14 Non-Exclusivity. The rights and remedies of Parent under this Agreement are not exclusive of or limited by any other rights or remedies which it may have, whether at law, in equity, by contract or otherwise, all of which shall be cumulative (and not alternative). Without limiting the generality of the foregoing, the rights and remedies of Parent under this Agreement are in addition to its respective rights, remedies, obligations and liabilities under common law requirements and under applicable Law.

Section 5.15 Governing Law; Jurisdiction; Waiver of Jury Trial.

(a) This Agreement, the rights and obligations of the parties hereto under this Agreement, and any disputes arising under or relating to this Agreement (whether in contract, tort or otherwise) shall be deemed to be made in and in all respects shall be interpreted, construed and governed by and in accordance with the Law of the State of Delaware without regard to the conflict of law principles thereof.

(b) Each of the parties (i) irrevocably submits exclusively to the jurisdiction of the Chancery Courts of the State of Delaware (the "Chancery Court") or, if the Chancery Court declines jurisdiction, any other Delaware state court, and the federal courts of the United States of America, in each case, located in New Castle County in the State of Delaware (collectively, "Chosen Courts") in the event any dispute (whether in contract, tort or otherwise) arises out of this Agreement or any of the transactions contemplated hereby, (ii) agrees that it will not attempt to deny or defeat such personal jurisdiction by motion or other request for leave from any such court, (iii) agrees that it will not bring any Action by or before any Governmental Entity relating to this Agreement or any of the transactions contemplated hereby in any court other than the Chosen Courts, (iv) waives any objection that it may now or hereafter have to the venue of any such Action in the Chosen Courts or that such Action was brought in an inconvenient court and agrees not to plead or claim the same and (v) consents to service being made through the notice procedures set forth in Section 5.8. Each of the parties hereby agrees that service of any process, summons, notice or document by U.S. registered mail to the respective addresses set forth in Section 5.8 shall be effective service of process for any Action in connection with this Agreement or the transactions contemplated hereby. Notwithstanding the foregoing in this Section 5.15(b), a party may commence any legal action or proceeding in a court other than the above-named courts solely for the purpose of enforcing an order or judgment issued by one of the above-named courts.

(c) EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE EACH SUCH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT, OR CONTEMPLATED BY THIS AGREEMENT (WHETHER IN CONTRACT, TORT OR OTHERWISE). EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (i) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, (ii) EACH SUCH PARTY UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (iii) EACH SUCH PARTY MAKES THIS WAIVER VOLUNTARILY

AND (iv) EACH SUCH PARTY HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 5.15.

Section 5.16 Counterparts; Effectiveness. This Agreement may be executed in any number of counterparts (including by attachment to electronic mail in portable document format (PDF)), each such counterpart being deemed to be an original instrument, and all such counterparts shall together constitute the same agreement, and shall become effective when one or more counterparts have been signed by each of the parties hereto and delivered to the other parties hereto.

Section 5.17 Captions. The captions contained in this Agreement are for convenience of reference only, shall not be deemed to be a part of this Agreement and shall not be referred to in connection with the construction or interpretation of this Agreement.

Section 5.18 Waiver. No failure on the part of Parent to exercise any power, right, privilege or remedy under this Agreement, and no delay on the part of Parent in exercising any power, right, privilege or remedy under this Agreement, shall operate as a waiver of such power, right, privilege or remedy; and no single or partial exercise of any such power, right, privilege or remedy shall preclude any other or further exercise thereof or of any other power, right, privilege or remedy. Parent shall not be deemed to have waived any claim available to Parent arising out of this Agreement, or any power, right, privilege or remedy of Parent under this Agreement, unless the waiver of such claim, power, right, privilege or remedy is expressly set forth in a written instrument duly executed and delivered on behalf of Parent; and any such waiver shall not be applicable or have any effect except in the specific instance in which it is given.

Section 5.19 Capacity. Notwithstanding the foregoing, this Agreement is being entered into by each Stockholder solely in such Stockholder's capacity as a stockholder of the Company, and nothing in this Agreement shall restrict or limit the ability of any Stockholder to take any action in such Stockholder's capacity as a director or officer of the Company or its Subsidiaries and exercising such Stockholder's fiduciary duties and responsibilities to the Company or its Subsidiaries in such capacity.

Section 5.20 Independence of Obligations. The covenants and obligations of Stockholder set forth in this Agreement shall be construed as independent of any other Contract between Stockholder, on the one hand, and the Company or Parent, on the other, and of any other Contract between the Company, on the one hand, and the Parent, on the other. The existence of any claim or cause of action by Stockholder against the Company or Parent or by the Company against Parent shall not constitute a defense to the enforcement by Parent of any of such covenants or obligations against Stockholder. Nothing in this Agreement shall limit any of the rights or remedies of Parent or the Company under the Merger Agreement, or any of the rights or remedies of Parent or any of the obligations of Stockholder under any other agreement between Stockholder and Parent, or between the Company and Parent, or any certificate or instrument executed by Stockholder or by the Company in favor of Parent, and nothing in the Merger Agreement or in any other such agreement, certificate or instrument, shall limit any of the rights or remedies of Parent or any of the obligations of Stockholder or the Company under this Agreement.

Section 5.21 Agreement Not to Exercise Appraisal Rights. To the extent permitted by the applicable Law, Stockholder shall not exercise, and hereby irrevocably and unconditionally waives, any statutory rights that may arise in connection with the Merger (including under Section 262 of the DGCL) to demand appraisal of any Covered Securities. Notwithstanding the foregoing, nothing in this Agreement shall constitute, or be deemed to constitute, a waiver or release by Stockholder of any claim or cause of action against Parent or Corp Merger Sub to the extent arising out of a breach of this Agreement by Parent.

Section 5.22 Irrevocable Proxy. Prior to the Expiration Date, in the event of a failure by Stockholder to act in accordance with Stockholder's obligations as to voting pursuant to Section 3.1 no later than the third Business Day prior to any meeting at which the stockholders of the Company will consider and vote on any of the Covered Proposals, Stockholder hereby irrevocably grants to, and appoints, Parent, and any individual designated in writing by Parent, and each of them individually, as Stockholder's proxy and attorney-in-fact (with full power of substitution and including for purposes of Section 212 of the DGCL), for and in the name, place and stead of Stockholder, to vote the Covered Securities, or grant a consent or approval in respect of the Covered Securities, with respect to the Covered Proposals in accordance with Section 3.1. Stockholder understands and acknowledges that Parent is entering into the Merger Agreement in reliance upon Stockholder's execution and delivery of this Agreement. Stockholder hereby affirms that the irrevocable proxy set forth in this Section 5.22 is given in connection with the execution of the Merger Agreement, and that such irrevocable proxy is given to secure the performance of the duties of Stockholder under this Agreement. Stockholder hereby further affirms that the irrevocable proxy is coupled with an interest and may be revoked only under the circumstances set forth in the last sentence of this Section 5.22. Stockholder hereby ratifies and confirms all that such irrevocable proxy may lawfully do or cause to be done by virtue hereof. Such irrevocable proxy is executed and intended to be irrevocable in accordance with applicable Law. Stockholder shall, upon written request by Parent, as promptly as practicable, execute and deliver to Parent a separate written instrument or proxy that embodies the terms of this irrevocable proxy set forth in this Section 5.22. Notwithstanding the foregoing, the proxy and appointment granted hereby shall be automatically revoked, without any action by Stockholder, upon the Expiration Date, and Parent may terminate any proxy granted pursuant to this Section 5.22 at any time at its sole discretion by written notice to Stockholder.

Section 5.23 Construction.

(a) For purposes of this Agreement, whenever the context requires: the singular number shall include the plural, and vice versa; the masculine gender shall include the feminine and neuter genders; the feminine gender shall include the masculine and neuter genders; and the neuter gender shall include masculine and feminine genders.

(b) The parties have participated jointly in negotiating and drafting this Agreement. In the event that an ambiguity or a question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties, and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provision of this Agreement.

(c) As used in this Agreement, the words “include” and “including,” and variations thereof, shall not be deemed to be terms of limitation, but rather shall be deemed to be followed by the words “without limitation.”

(d) Except as otherwise indicated, all references in this Agreement to Sections, Articles and Exhibits are intended to refer to Sections, Articles and Exhibits of this Agreement, and the words “herein,” “hereof” and “hereunder,” and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision of this Agreement. The word “or” when used in this Agreement is not exclusive. The word “extent” in the phrase “to the extent” shall mean the degree to which a subject or other thing extends, and such phrase shall not mean simply “if”.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the date first written above.

Callodine MidCo, Inc.

By: /s/ James Morrow Name: James Morrow Title: Chief
Executive Officer

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the date first written above.

Paul J. Battaglia

By: /s/ Paul J. Battaglia Name: Paul J. Battaglia

Christopher P. Briley

By: /s/ Christopher P. Briley Name: Christopher P. Briley

Ebrahim Busheri

By: /s/ Ebrahim Busheri Name: Ebrahim Busheri

Stacey Green

By: /s/ Stacey Green Name: Stacey Green

Nicole M. Kingsley Brunner

By: /s/ Nicole M. Kingsley Brunner Name: Nicole M. Kingsley Brunner

Aaron T. McGreevy

By: /s/ Aaron T. McGreevy Name: Aaron T. McGreevy

Marc Mayer

By: /s/ Marc Mayer Name: Marc Mayer

Scott Morabito

By: /s/ Scott Morabito Name: Scott Morabito

Sarah C. Turner

By: /s/ Sarah C. Turner Name: Sarah C. Turner

ROLLOVER AGREEMENT

THIS ROLLOVER AGREEMENT (this “Agreement”) is made and effective as of March 31, 2022 by and between Callodine MN Holdings, Inc., a Delaware corporation (“TopCo”), and the undersigned individual designated as “Rollover Holder” on the signature page attached hereto (“Rollover Holder”). Unless otherwise set forth herein, capitalized terms used herein shall have the meanings assigned to such terms in the Merger Agreement (as defined below).

Solely in the event that the Merger Agreement is terminated in accordance with its terms, this Agreement will be null and void and of no further force or effect, including with respect to Rollover Holder’s commitment to rollover the Rollover Shares (as defined below) pursuant to this Agreement.

RECITALS

WHEREAS, reference is hereby made to the Agreement and Plan of Merger, dated as of even date herewith (as amended, restated, supplemented or otherwise modified from time to time, the “Merger Agreement”), by and among Callodine MidCo, Inc. (“Parent”), a Delaware corporation and a direct wholly owned subsidiary of TopCo, Callodine Merger Sub, Inc., a Delaware corporation (“Corp Merger Sub”) and a direct wholly owned subsidiary of Parent, Callodine Merger Sub, LLC, a Delaware limited liability company and a direct wholly owned Subsidiary of Corp Merger Sub (“LLC Merger Sub”), Manning & Napier, Inc., a Delaware corporation (the “Company”), and Manning & Napier Group, LLC a Delaware limited liability company and Subsidiary of the Company (“Group LLC”), pursuant to which Corp Merger Sub will merge with and into the Company (with the Company surviving and becoming a direct wholly owned subsidiary of Parent) and LLC Merger Sub will merge with and into Group LLC (with Group LLC surviving and becoming a direct wholly owned subsidiary of the Company);

WHEREAS, Rollover Holder desires to irrevocably contribute to TopCo, and TopCo desires to receive from Rollover Holder, 175,902 shares of the Company’s Class A Stock (such shares of Class A Stock, “Rollover Shares”) in exchange for the issuance by TopCo to Rollover Holder of the applicable TopCo Shares (as hereinafter defined) and desires to irrevocably substitute options to purchase 500,000 shares of the Company’s Class A Stock (such options, “Rollover Options”) with TopCo Options (as hereinafter defined), in each case in accordance with this Agreement (the “Rollover Transaction”), which contribution and receipt shall occur substantially contemporaneously with, and contingent upon, the closing of the Company Merger;

WHEREAS, concurrently with the execution of this Agreement, TopCo and Rollover Holder are entering into a rollover-bonus-opportunity letter agreement in the form attached hereto as Exhibit A, which provides for either a cash payment or the issuance of additional shares of TopCo common stock, in TopCo’s sole discretion, to Rollover Holder in certain circumstances; and

WHEREAS, for U.S. federal income tax purposes, the Rollover Transaction, taken together with certain contributions prior to and in connection with the transactions contemplated in the Merger Agreement (the “Transactions”), is intended to qualify as an exchange within the meaning of Section 351(a) of the Internal Revenue Code of 1986, as amended (the “Code”).

NOW, THEREFORE, in consideration of the premises and the mutual agreements, provisions and covenants contained in this Agreement, and for other good and valuable

consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

Article I

IDENTIFICATION OF SECURITIES

Section 1.1 Rollover Closing. Rollover Holder hereby irrevocably designates its Rollover Shares and Rollover Options for which Rollover Holder would otherwise be entitled to receive Merger Consideration or other payments under the Merger Agreement in accordance with the Merger Agreement as instead subject to the treatment as set forth below in this Section 1.1. Rollover Holder acknowledges and hereby agrees that:

(a) Upon the closing of the Rollover Transaction (such closing, the “Rollover Closing”), which Rollover Closing shall occur substantially contemporaneously with and contingent upon the closing of the Company Merger, and without further action on the part of any Person, the Rollover Shares will be and are hereby automatically contributed by Rollover Holder to TopCo in exchange for the issuance to Rollover Holder of a number of shares of common stock, par value \$0.01 per share, of TopCo (“TopCo Common Stock” and such shares so issued in such exchange, the “TopCo Shares”) equal to the number of Rollover Shares multiplied by the Exchange Ratio (rounding the resulting number down to the nearest whole number of shares of TopCo Common Stock). Upon the Rollover Closing, which Rollover Closing shall occur substantially contemporaneously with and contingent upon the closing of the Company Merger, and without further action on the part of any Person, the Rollover Options will be and are hereby substituted with options to purchase a number of shares of TopCo Common Stock (such options so issued in such substitution, the “TopCo Options”) equal to the number of shares of the Company’s Class A Stock issuable upon exercise of the Rollover Options multiplied by the Exchange Ratio (rounding the resulting number down to the nearest whole number of shares of TopCo Common Stock). From and after the Rollover Closing: (A) the per share exercise price for a share of TopCo Common Stock issuable upon exercise of each TopCo Option shall be determined by dividing the per share exercise price of a share of the Company’s Class A Stock subject to the corresponding Rollover Option, as in effect immediately prior to the Rollover Closing, by the Exchange Ratio, and rounding the resulting exercise price up to the nearest whole cent; and (B) the terms, status as an incentive stock option under Code Section 422 or a nonstatutory stock option and vesting schedule of such TopCo Option shall otherwise remain unchanged from the corresponding terms, status, and vesting schedule of the corresponding Rollover Options as a result of the Rollover Transaction; provided, that TopCo’s (or the applicable Affiliate of TopCo’s) board of directors shall succeed to the authority and responsibility of the Company’s board of directors or any committee thereof with respect to the administration of such TopCo Options. For purposes hereof, the “Exchange Ratio” means (x) the Merger Consideration divided by (y) the Book Value Per Share (calculated on a pro-forma basis as of immediately following the Closing, including giving effect to (I) any fees and expenses borne by TopCo pursuant to Section 9.17 of the Stockholders Agreement (as defined below) and (II) any deposit of cash into the Payment Fund by the Company pursuant to Section 2.3(a) of the Merger Agreement); and

(b) Upon Rollover Holder’s receipt of the TopCo Shares and any TopCo Common Stock issued upon exercise of TopCo Options, the TopCo Shares, such TopCo Common Stock and Rollover Holder will be subject in all respects to the terms and conditions of TopCo’s certificate of incorporation (as in effect as of the Closing and

as amended from time to time thereafter in accordance with its terms, the “TopCo Certificate of Incorporation”), the bylaws of TopCo (as in effect as of the Closing and as amended from time to time thereafter in accordance with their terms, the “TopCo Bylaws”) and to the terms and conditions of a Stockholders Agreement (to be entered into by Rollover Holder at or prior to the Rollover Closing) by and among TopCo, Rollover Holder and the other TopCo stockholders party thereto from time to time, in the form attached hereto as Exhibit B (as amended from time to time in accordance with its terms, the “Stockholders Agreement”) and together with the TopCo Certificate of Incorporation and the TopCo Bylaws, the “TopCo Governing Documents”).

Section 1.2 Stockholders Agreement. At or prior to the Rollover Closing, Rollover Holder shall (a) deliver a counterpart signature page to the Stockholders Agreement to TopCo and (b) accept, and become subject to, the rights, restrictions and other provisions of the Stockholders Agreement. TopCo shall hold such signature page in escrow to be automatically released at the Closing. Rollover Holder hereby acknowledges and agrees that Rollover Holder will not receive any portion of the Merger Consideration with respect to its Rollover Shares or any payment under the Merger Agreement with respect to its Rollover Options and instead will receive only the TopCo Shares or TopCo Options, as applicable, in exchange therefor.

Section 1.3 Transfer Restrictions. Rollover Holder agrees that from and after the date hereof and until the Rollover Closing, Rollover Holder shall not directly or indirectly sell, assign, convey, transfer, pledge, encumber or otherwise dispose of (each a “Transfer”) any of his or her Rollover Shares or Rollover Options, nor exercise any of his or her Rollover Options either voluntarily or involuntarily or by operation of law; provided, however, that Rollover Holder shall Transfer his or her Rollover Shares to TopCo pursuant to Section 1.1 hereof upon the Rollover Closing.

Article II

TAX TREATMENT

The Rollover Transaction, taken together with certain contributions prior to and in connection with the Transactions, is intended to qualify as an exchange within the meaning of Section 351(a) of the Code (“Intended Tax Treatment”). Each party shall, and shall cause its Affiliates (if applicable) to, file all tax returns in a manner consistent with the Intended Tax Treatment. Each party agrees that it shall not file any tax returns or other document or take any other actions that would be inconsistent with the Intended Tax Treatment, unless required by a final determination within the meaning of Section 1313 of the Code.

Article III

RESTRICTIONS ON TOPCO SHARES; LEGEND

Section 1.1 Restrictions on TopCo Shares. None of the TopCo Shares or TopCo Options to be received or held by Rollover Holder pursuant to this Agreement (including any securities to be received as a result of dividends, splits or any other forms of recapitalization in respect of such TopCo Shares) nor any shares of TopCo Common Stock issued upon exercise of such TopCo Options shall be later transferred (including any sale, assignment, pledge, hypothecation or other disposition or encumbrance), either voluntarily or involuntarily, directly or indirectly, by Rollover Holder except (a) pursuant to an effective registration under the Securities Act of 1933, as amended (including all rules and regulations promulgated thereunder, the “Securities Act”), or in a transaction which qualifies as an exempt transaction under the

Securities Act, and further (b) in accordance with the restrictions on transfer and other terms and conditions under the TopCo Governing Documents. TopCo shall not be required (i) to transfer on its books any TopCo Shares, TopCo Options, or shares of TopCo Common Stock issued upon exercise of TopCo Options which shall have been transferred in violation of any of the provisions set forth in this Agreement or (ii) to treat as owner of such TopCo Shares, TopCo Options, or shares of TopCo Common Stock issued upon exercise of TopCo Options or to accord the right to vote as such owner or to pay dividends to any transferee to whom such TopCo Shares, TopCo Options, or shares of TopCo Common Stock issued upon exercise of TopCo Options shall have been so transferred.

Section 1.2 Legend. All TopCo Shares and shares of TopCo Common Stock issued upon exercise of TopCo Options will be uncertificated unless otherwise determined by the board of directors of TopCo (the “Board”). If any TopCo Shares or shares of TopCo Common Stock issued upon exercise of TopCo Options are certificated, then such TopCo Shares or shares of TopCo Common Stock shall be imprinted with the following legends (or a legend or legends substantially similar thereto):

(a) THE SHARES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED. THEY MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED OR HYPOTHECATED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT AS TO THE SECURITIES UNDER SAID ACT OR AN OPINION OF COUNSEL SATISFACTORY TO THE ISSUER THAT SUCH REGISTRATION IS NOT REQUIRED.

(b) THE SHARES REPRESENTED BY THIS CERTIFICATE ARE ALSO SUBJECT TO ADDITIONAL RESTRICTIONS ON TRANSFER AS SET FORTH IN A ROLLOVER AGREEMENT AND IN A STOCKHOLDERS AGREEMENT AMONG THE ISSUER AND CERTAIN OTHER PARTIES THERETO (INCLUDING THE NAMED HOLDER OF THIS CERTIFICATE). COPIES OF SUCH AGREEMENTS MAY BE OBTAINED BY THE HOLDER HEREOF AT THE ISSUER’S PRINCIPAL PLACE OF BUSINESS WITHOUT CHARGE.

Article IV

REPRESENTATIONS AND WARRANTIES OF ROLLOVER HOLDER

Rollover Holder hereby represents and warrants to TopCo as follows, which representations and warranties are true as of the date hereof and will remain true at all times through the Rollover Closing:

Section 1.1 Ownership of Shares. Rollover Holder is the sole record and beneficial owner (within the meaning of Rule 13d-3 under the Exchange Act) of all Rollover Shares and all Rollover Options, free and clear of all Liens (other than those created under the Stockholder Support Agreement dated as of March 31, 2022 between Rollover Holder and Parent), and has the power and authority to sell, transfer, assign and deliver its Rollover Shares to TopCo as provided in this Agreement.

Section 1.2 Authorization. Rollover Holder has all necessary power and authority to execute and deliver this Agreement, to perform Rollover Holder’s obligations hereunder and to consummate the transactions contemplated hereby. If Rollover Holder is not a natural person, the execution, delivery and performance by Rollover Holder of this Agreement, and the consummation of the transactions contemplated hereby, have been duly and validly authorized

by all necessary corporate, limited liability company, partnership or trust action of Rollover Holder. This Agreement has been duly executed and delivered by Rollover Holder and constitutes a legal, valid and binding obligation of Rollover Holder, enforceable against Rollover Holder in accordance with its terms, except that such enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereafter in effect relating to or affecting the rights and remedies of creditors and general principles of equity (whether considered in a proceeding at law or in equity) and the discretion of the court before which any proceeding therefor may be brought (the “Enforceability Exceptions”). Rollover Holder’s entry into this Agreement does not require the consent of Rollover Holder’s spouse, if any.

Section 1.3 Non-Contravention. Neither the execution and delivery of this Agreement by Rollover Holder nor the consummation by Rollover Holder of the transactions contemplated hereby, nor compliance by Rollover Holder with any of the terms or provisions hereof, will (a) conflict with or violate any provision of Rollover Holder’s trust or other organizational documents (if Rollover Holder is not a natural person) or (b) (i) violate any Law applicable to Rollover Holder, (ii) with or without notice, lapse of time or both, violate or constitute a breach under any of the terms, conditions or provisions of any Contract or Permit to which Rollover Holder is a party or accelerate or give rise to a right of termination, cancellation or acceleration of any of Rollover Holder’s obligations under any such Contract or Permit or to the loss of any benefit under any such Contract or Permit or (iii) result in the creation of any Lien on any properties, rights or assets of Rollover Holder.

Section 1.4 Governmental Approvals. No notices, consents, authorizations, approvals, orders or Permits of, or filings, declarations or registrations with, any Governmental Entity are necessary for the execution, delivery and performance of this Agreement by Rollover Holder and the consummation by Rollover Holder of the transactions contemplated hereby.

Section 1.5 Brokers. No broker, finder, investment banker, financial advisor or other similar Person is entitled to any broker’s, finder’s, financial advisor’s or other similar fee or commission in connection with the transactions contemplated by this Agreement based upon arrangements made by or on behalf of Rollover Holder.

Section 1.6 Acquisition for Investment. Rollover Holder is acquiring the TopCo Shares, TopCo Options, and shares of TopCo Common Stock issued upon exercise of TopCo Options for investment and not with a view to distributing all or any part thereof in any transaction which would constitute a “distribution” within the meaning of the Securities Act.

Section 1.7 Sophistication of Rollover Holder. Rollover Holder is an “accredited investor” (as such term is defined in Rule 501 promulgated under the Securities Act), is sophisticated in financial matters, is able to evaluate the risks and benefits of the investment in the shares of TopCo, and has determined that an investment in the TopCo Shares and TopCo Options is suitable for Rollover Holder based upon Rollover Holder’s financial situation and needs as well as based on Rollover Holder’s other securities holdings. Rollover Holder has the capacity to protect Rollover Holder’s own interests in connection with the transactions contemplated by this Agreement.

Section 1.8 Economic Risk. Rollover Holder has sufficient knowledge and experience in financial and business matters such that Rollover Holder is capable of evaluating the merits and risks of Rollover Holder’s investment in the TopCo Shares and TopCo Options. Rollover Holder is able to bear the economic risk of an investment in the TopCo Shares and TopCo Options for an indefinite period of time. Rollover Holder understands that the TopCo Shares and the TopCo Options have not been registered under the Securities Act and cannot later be sold unless subsequently registered under the Securities Act or unless an exemption from such registration is available. Rollover Holder acknowledges that the TopCo Shares and TopCo

Options will be subject in all respects to the provisions of the TopCo Governing Documents and the Stockholders Agreement.

Section 1.9 Information. Rollover Holder acknowledges it has received materials describing the Company, TopCo, the TopCo Governing Documents, the TopCo Shares, the TopCo Options and the risks associated therewith, including the levered nature of the Company following the closing of the Company Merger and the related restrictions on the Company's operations and finances; has had an opportunity to ask questions and receive answers concerning the terms and conditions of the same; and has had full access to all other information concerning TopCo and the TopCo Shares and TopCo Options as Rollover Holder has requested in connection with Rollover Holder entering into this Agreement. The Rollover Holder acknowledges that despite his or her position as a member of senior management of the Company prior to the Company Merger, the Rollover Holder may not be privy to or familiar with some of the information that TopCo has received or created, including projections and other information that may be indicative of a per-share value of the Rollover Shares that is substantially different than the per-share merger consideration reflected in the Merger Agreement, and/or of a per-share value of the TopCo Shares or TopCo Options that is substantially different than the per-share value implied by the Exchange Ratio. The Rollover Holder understands the disadvantage to which the Rollover Holder is subject on account of the disparity of information as between him or her and TopCo, has read and acknowledged the risks described in Exhibit C, and accepts such risks.

Section 1.10 Limitations on Disposition. Rollover Holder recognizes that no public market exists for the TopCo Shares, TopCo Options, or shares of TopCo Common Stock issued upon exercise of TopCo Options, and that there is no assurance that one will exist in the future. Rollover Holder understands that Rollover Holder must bear the economic risk of this investment indefinitely unless the TopCo Shares, TopCo Options, or shares of TopCo Common Stock issued upon exercise of TopCo Options are registered pursuant to the Securities Act or an exemption from such registration is available, and unless the disposition of the TopCo Shares, TopCo Options, or shares of TopCo Common Stock issued upon exercise of TopCo Options is qualified under applicable state securities laws or an exemption from such qualification is available, and that TopCo has no obligation or present intention of so registering the TopCo Shares, TopCo Options, or shares of TopCo Common Stock issued upon exercise of TopCo Options. Rollover Holder further understands that there is no assurance that any exemption from the Securities Act will be available, or, if available, that such exemption will allow Rollover Holder to transfer any or all of the TopCo Shares, TopCo Options, or shares of TopCo Common Stock issued upon exercise of TopCo Options, in the amounts, or at the times Rollover Holder might propose. Rollover Holder understands at the present time Rule 144 promulgated under the Securities Act by the Securities and Exchange Commission ("Rule 144") is not applicable to sales of the TopCo Shares, TopCo Options, or shares of TopCo Common Stock issued upon exercise of TopCo Options because they are not registered under Section 12 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and there is not publicly available information concerning TopCo as specified in Rule 144. Rollover Holder understands that TopCo may never register the TopCo Shares, TopCo Options, or shares of TopCo Common Stock issued upon exercise of TopCo Options under Section 12 of the Exchange Act, and may never make publicly available the information specified in Rule 144. Rollover Holder further acknowledges that the TopCo Governing Documents contain restrictions on the disposition of the TopCo Shares, TopCo Options, or shares of TopCo Common Stock issued upon exercise of TopCo Options.

Section 1.11 TopCo Governing Documents. Rollover Holder represents and warrants that Rollover Holder has read and reviewed the TopCo Governing Documents, and is aware of the rights, restrictions and obligations applicable to the TopCo Shares, TopCo Options, and shares of TopCo Common Stock issued upon exercise of TopCo Options thereunder.

Section 1.12 No Employment Rights. This Agreement is not an employment or other service contract and nothing in this Agreement shall affect in any manner whatsoever the right or power of TopCo (or a parent or Subsidiary of TopCo) or the Company to terminate Rollover Holder's employment or other service relationship with TopCo or its affiliates for any reason at any time, with or without cause and with or without notice.

Article V

REPRESENTATION AND WARRANTIES OF TOPCO

TopCo hereby represents and warrants to Rollover Holder as follows:

Section 1.1 Organization; Standing. TopCo is duly incorporated, validly existing and in good standing under the Laws of the State of Delaware.

Section 1.2 Authorization. TopCo shall increase its authorized numbers of shares to an amount sufficient to cover the issuance of all TopCo Shares and shares of TopCo Common Stock issuable upon exercise of TopCo Options hereunder. Subject to the foregoing sentence, TopCo has all necessary power and authority to execute and deliver this Agreement, to perform its obligations hereunder and to consummate the transactions contemplated hereby. Subject to the first sentence of this Section 5.2, the execution, delivery and performance by TopCo of this Agreement, and the consummation of the transactions contemplated hereby, have been duly and validly authorized by all necessary action of TopCo. This Agreement has been duly executed and delivered by TopCo and, assuming due authorization, execution and delivery hereof by the other parties hereto, constitutes a legal, valid and binding obligation of TopCo, enforceable against TopCo in accordance with its terms, subject to the Enforceability Exceptions.

Section 1.3 Non-Contravention. Neither the execution and delivery of this Agreement by TopCo nor the consummation by TopCo of the transactions contemplated hereby, nor compliance by TopCo with any of the terms or provisions hereof, will conflict with or violate any provision of the TopCo Governing Documents.

Section 1.4 Governmental Approvals. Assuming that all filings, approvals, notices and consents (including expired waiting periods, if applicable) of Governmental Entities as set forth in Section 3.4(b) of the Merger Agreement are obtained or made, as the case may be, no notices, consents, authorizations, approvals, orders or Permits of, or filings, declarations or registrations with, any Governmental Entity are necessary for the execution, delivery and performance of this Agreement by TopCo and the consummation by TopCo of the transactions contemplated hereby.

Article VI

SURVIVAL

The representations, warranties and covenants of the parties contained in or made pursuant to this Agreement shall survive the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby.

Article VII

FURTHER ASSURANCES

Following the consummation of the transactions described herein, each party to this Agreement will take such further action (including the execution and delivery of such further instruments and documents) as is reasonably necessary to carry out the purpose of this Agreement as any other party hereto may reasonably request, all at the sole cost and expense of such requesting party.

Article VIII

WAIVER OF INSPECTION RIGHTS; WAIVER AND RELEASE

Section 1.1 Waiver of Inspection Rights. Rollover Holder acknowledges and agrees that, except for such information as may be expressly required to be delivered to Rollover Holder by TopCo pursuant to the TopCo Governing Documents, Rollover Holder will have no right to receive any information from TopCo by virtue of the receipt and ownership of the TopCo Shares, TopCo Options, or shares of TopCo Common Stock issued upon exercise of TopCo Options or as a result of Rollover Holder being a holder of record of stock of TopCo. Without limiting the foregoing, to the fullest extent permitted by law, Rollover Holder hereby waives all inspection rights under Section 220 of the Delaware General Corporation Law and all such similar information and/or inspection rights that may be provided under the Law of any jurisdiction, or any federal, state or foreign regulation, that are, or may become, applicable to TopCo, the TopCo Shares, TopCo Options, or shares of TopCo Common Stock issued upon exercise of TopCo Options or any other class of equity of TopCo (and including in respect of all equity securities of TopCo that Rollover Holder may later acquire) (the “Inspection Rights”). Rollover Holder hereby covenants and agrees never to directly or indirectly commence, voluntarily aid in any way, prosecute, assign, transfer, or cause to be commenced any claim, action, cause of action, or other proceeding to pursue or exercise the Inspection Rights.

Section 1.2 Waiver and Release. Rollover Holder hereby irrevocably releases and waives any and all actions, causes of actions, rights or claims, whether known or unknown, contingent or matured, and whether currently existing or hereafter arising that he or she may have or hereafter acquire with respect to facts that existed on or prior to the date of this Agreement (collectively, “Actions”) against TopCo and its affiliates and its and their officers, directors, equityholders, partners, members, employees, agents and representatives (collectively, and including the Company and its subsidiaries following the Mergers, the “Released Person”) in any way, directly or indirectly, arising out of, relating to or resulting from TopCo’s failure to disclose information to Rollover Holder upon or prior to Rollover Holder’s decision to execute this Agreement, including, without limitation, Actions under applicable federal and/or state securities laws and common-law-fraud doctrines. Rollover Holder also agrees that he or she will not institute or maintain, or assist any person or entity in instituting or maintaining, any action, cause of action, suit, complaint or other proceeding against TopCo or any other Released Person as a result of TopCo or any other Released Person’s failure to disclose information to Rollover Holder upon or prior to Rollover Holder’s decision to execute this Agreement. Rollover Holder intends to effect, to the maximum extent permitted by law, a complete, voluntary and knowing release and waiver of his or her rights as set forth above in this paragraph.

Article IX

MISCELLANEOUS

Section 1.1 Entire Agreement; Amendments and Waivers. This Agreement and the TopCo Governing Documents represent the entire understanding and agreement between the

parties hereto with respect to the subject matter hereof. This Agreement may only be amended, supplemented or changed by a written instrument signed by TopCo and Rollover Holder. Each provision in this Agreement may only be waived by written instrument making specific reference to this Agreement signed by the party against whom enforcement of any such provision so waived is sought. No action taken pursuant to this Agreement, including any investigation by or on behalf of any party, shall be deemed to constitute a waiver by the party taking such action of compliance with any representation, warranty, covenant or agreement contained herein. The waiver by any party hereto of a breach of any provision of this Agreement shall not operate or be construed as a further or continuing waiver of such breach or as a waiver of any other or subsequent breach. No failure on the part of any party to exercise, and no delay in exercising, any right, power or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of such right, power or remedy by such party preclude any other or further exercise thereof or the exercise of any other right, power or remedy.

Section 1.2 Governing Law. This Agreement, and all claims or causes of action (whether in contract, tort or otherwise) that may be based upon, arise out of or relate to this Agreement or the negotiation, execution or performance of this Agreement (including any claim or cause of action based upon, arising out of or related to any representation or warranty made in or in connection with this Agreement) shall be governed by and construed in accordance with the law of the State of Delaware, regardless of the laws that might otherwise govern under applicable principles of conflicts of laws. Each of the parties hereto hereby irrevocably and unconditionally (a) submits, for itself and its property, to the exclusive jurisdiction of the Delaware Court of Chancery (or, only if the Delaware Court of Chancery declines to accept jurisdiction over a particular matter, any Federal court of the United States of America sitting in the State of Delaware), and any appellate court from any thereof, in any Action arising out of or relating to this Agreement or the negotiation, execution or performance of this Agreement (including any claim or cause of action based upon, arising out of or related to any representation or warranty made in or in connection with this Agreement), or for recognition or enforcement of any judgment, and agrees that all claims in respect of any such Action shall be heard and determined in such Delaware Court of Chancery (or, only if the Delaware Court of Chancery declines to accept jurisdiction over a particular matter, any Federal court of the United States of America sitting in the State of Delaware), (b) waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any Action arising out of or relating to this Agreement or the negotiation, execution or performance of this Agreement (including any claim or cause of action based upon, arising out of or related to any representation or warranty made in or in connection with this Agreement) in the Delaware Court of Chancery or any Federal court of the United States of America sitting in the State of Delaware, (c) waives, to the fullest extent permitted by Law, the defense of an inconvenient forum to the maintenance of such Action in any such court and (d) agrees that a final judgment in any such Action shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by Law.

Section 1.3 Waiver of Jury Trial. TO THE FULLEST EXTENT PERMITTED BY LAW, EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY LITIGATION, ACTION, PROCEEDING, CROSS-CLAIM, OR COUNTERCLAIM IN ANY COURT (WHETHER BASED ON CONTRACT, TORT, OR OTHERWISE) ARISING OUT OF, RELATING TO OR IN CONNECTION WITH (A) THIS AGREEMENT OR THE VALIDITY, PERFORMANCE, INTERPRETATION, COLLECTION OR ENFORCEMENT HEREOF OR (B) THE ACTIONS OF SUCH PARTY IN THE NEGOTIATION, AUTHORIZATION, EXECUTION, DELIVERY, ADMINISTRATION, PERFORMANCE OR ENFORCEMENT HEREOF.

Section 1.4 Binding Effect; Beneficiaries; Assignment.

(a) This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns. Nothing in this Agreement shall create or be deemed to create any third-party beneficiary rights in any Person not a party to this Agreement.

(b) No Rollover Holder may assign this Agreement or all or any part of its rights or obligations hereunder, directly or indirectly (by operation of law or otherwise) without the prior written consent of TopCo. Any attempted assignment without obtaining such required consent shall be null and void.

Section 1.5 Severability. If any condition, term or other provision of this Agreement is invalid, illegal, or incapable of being enforced by any Law or public policy, all other conditions, terms or provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party. Upon such determination that any term or other provision is invalid, illegal, or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner in order that the transactions contemplated hereby are consummated as originally contemplated to the greatest extent possible.

Section 1.6 Independent Counsel. Rollover Holder acknowledges that this Agreement has been prepared on behalf of TopCo by Sidley Austin LLP (“Sidley”), counsel to TopCo, and that Sidley does not represent, and is not acting on behalf of, Rollover Holder. Rollover Holder has been provided with an opportunity to consult with Rollover Holder’s own counsel with respect to this Agreement.

Section 1.7 Counterparts. This Agreement may be executed in any number of counterparts (including by means of email in pdf format), each of which will be deemed to be an original copy of this Agreement and all of which, when taken together, will be deemed to constitute one and the same agreement.

Section 1.8 Signatures. Signatures may be delivered via facsimile, electronic mail (including pdf or any electronic signature complying with the U.S. federal E-SIGN Act of 2000, *e.g.*, www.docusign.com) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have executed this Rollover Agreement as of the date first above written.

TOPCO:

CALLODINE MN HOLDINGS, INC.

By: /s/ James Morrow Name: James Morrow Title: Chief Executive Officer

[Signature Page to Rollover Agreement]

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274518907v.22

IN WITNESS WHEREOF, the parties hereto have executed this Rollover Agreement as of the date first above written.

ROLLOVER HOLDER:

Marc Mayer

By: /s/ Marc Mayer Name: Marc Mayer

[Signature Page to Rollover Agreement]

Exhibit A

Rollover Bonus Opportunity Agreement

(See attached)

[Signature Page to Rollover Agreement]

Exhibit B

Stockholders Agreement

(See attached)

[Signature Page to Rollover Agreement]

Exhibit C

Risk Disclosure

(See attached)

[Signature Page to Rollover Agreement]

AMENDED AND RESTATED EMPLOYMENT AGREEMENT

This AMENDED AND RESTATED EMPLOYMENT AGREEMENT (this “Agreement”) is entered into as of March 31, 2022 (the “Execution Date”), by and between Callodine MidCo, Inc. (“MidCo,” together with its successors and assigns, the “Company”), and Marc Mayer (the “Executive”).

RECITALS

WHEREAS, Manning & Napier, Inc. (“Manning & Napier”) and the Executive previously entered into an Employment Agreement, effective as of January 30, 2019, and amended as of December 31, 2020 (the “Prior Agreement”);

WHEREAS, following consummation of the transactions contemplated by that certain Agreement and Plan of Merger (the “Merger Agreement”) by and among Manning & Napier, MidCo, Callodine MN Holdings, Inc. (“TopCo”), and the other signatories thereto (the “Merger”), TopCo and MidCo desire that the Executive continue to be an employee of Manning & Napier upon the terms and conditions of this Agreement as of the Effective Date (defined below); and

WHEREAS, TopCo, MidCo and the Executive wish for this Agreement to replace and supersede the Prior Agreement as of the Effective Date, but for clarity, prior to the Effective Date, the Prior Agreement shall remain fully in force and effect between the parties hereto, subject only to the Executive’s waiver set forth in Section 1.1 hereof.

NOW, THEREFORE, in consideration of the mutual covenants and conditions contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Employment.

- 1.1. **Prior Good Reason Waiver.** The Executive hereby waives any right to resign for “Good Reason” under the terms of the Prior Agreement as of the Execution Date hereof; *provided, however,* that in the event that the Merger does not close, then the foregoing waiver shall be null and void as of the termination of the Merger Agreement.
- 1.2. **Effective Date.** Except for the waiver in Section 1.1 above, this Agreement is contingent and will become effective only upon the closing of the Merger, and in the event that the Merger does not close, then this Agreement shall terminate as of the termination of the Merger Agreement, and the parties shall have no further obligations hereunder. Except for the waiver in Section 1.1 above, the effective date of this Agreement (“Effective Date”) shall be the date on which the Company Merger Effective Time (as defined in the Merger Agreement) occurs. On the Effective Date, MidCo and the Executive agree that this Agreement shall be automatically assigned to Manning & Napier and shall inure to the benefit of and shall be binding upon Manning & Napier. The Executive agrees to execute such documents as may be reasonably requested by MidCo to memorialize such assignment. As of the Effective Date, “Company” shall mean Manning & Napier, its successors and assigns.

1.3. **Term.** As of the Effective Date, the Company hereby agrees to employ the Executive, and the Executive hereby accepts employment by the Company, on the terms and conditions hereinafter set forth. The Executive's term of employment by the Company under this Agreement (the "Term") shall commence on the Effective Date and end on the date on which the term of employment is terminated in accordance with Section 5. The Executive's employment with the Company shall be on an "at-will" basis.

1.4. **Executive Representations.**

- (a) The Executive represents and warrants to the Company that he may enter into and fully perform all of his obligations under this Agreement and as an employee of the Company without breaching, violating, or conflicting with (i) any judgment, order, writ, decree, or injunction of any court, arbitrator, government agency, or other tribunal that applies to the Executive, or (ii) any agreement, contract, obligation, or understanding to which the Executive is a party or may be bound. Upon any breach or inaccuracy of the foregoing, the terms and benefits of this Agreement shall be null and void. The Executive shall indemnify and hold harmless the Company from and against any and all claims, liabilities, damages and reasonable costs of defense and investigation arising out of any breach or inaccuracy in any of the foregoing representations.
- (b) The Executive hereby confirms that he is generally familiar with the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Advisors Act of 1940, all as amended, applicable state securities laws, the Employee Retirement Income Security Act of 1974 as amended ("ERISA"), and the rules and regulations thereunder, and with the Company's Code of Business Conduct and Ethics. The Executive further acknowledges that compliance with applicable federal and state laws, rules and regulations — including, without limitation, applicable provisions of securities, antifraud, and ERISA statutes and/or regulations — is vital to the business of the Company. The Executive will at all times (i) conduct himself in accordance with, and will not violate, such laws, rules, regulations, and Code of Business Conduct and Ethics, (ii) not make any material statements to prospective or current customers of the Company without a reasonable factual basis therefor, and (iii) not omit to make any material statement to prospective or current customers necessary to avoid causing any other statements made by the Executive to be misleading. The Executive agrees that any material violation of this Section 1.4(b), among others, shall be Cause for termination under the terms of this Agreement.

2. **Position, Duties and Responsibilities.**

2.1. **Position and Duties.** During the Term, the Company shall employ the Executive in the capacity of the Chief Executive Officer of the Company, subject to the reasonable and lawful control and direction of the Board of Directors of TopCo (the "Board"). The Executive will report only to the Board. The Executive shall also have such other duties, powers, and authority as are commensurate with his position as Chief Executive Officer, and such other duties and responsibilities that are commensurate with his position as are

reasonably and specifically delegated to him from time to time by the Board within the scope of his employment as Chief Executive Officer of the Company.

- 1.2. **Exclusive Services and Efforts.** The Executive agrees to devote his efforts, energies, and skill to the discharge of the duties and responsibilities attributable to his position and, except as set forth herein, agrees to devote substantially all of his professional time and attention to the business and affairs of the Company. The Executive shall not own an interest in any outside business nor engage in expectation of compensation or profit in any other outside professional activities (including, but not limited to: investment research, advisory or banking services; the underwriting, offer or sale of securities; merchant banking or business consulting services), whether pre-existing to this Agreement or otherwise, without the prior written consent of the Company, except for ownership of less than five percent of the issued and outstanding securities of a publicly traded company, subject to the Company's trading policies. Any and all licenses to conduct business shall be disclosed to the Company or an affiliate unless the prior written consent of the Company has been obtained to do otherwise. The Executive is expressly permitted to participate in community, charitable and not-for-profit organizations and boards of directors during the Term so long as such activities do not interfere with his duties hereunder. In addition, the Executive shall be permitted to manage his personal finances.
- 1.3. **Compliance with Company Policies.** The Executive shall be subject to the bylaws, policies, practices, procedures and rules of the Company, including those policies and procedures set forth in the Company's Code of Business Conduct and Ethics. The Executive's material violation of the terms of such documents shall be considered a breach of the terms of this Agreement.
- 1.4. **Location of Employment.** The Executive's principal office, and principal place of employment, shall be at the Company's offices in Fairport, New York; provided that at his discretion, the Executive shall be entitled to work remotely one day per week or more often as circumstances reasonably warrant with the understanding that the majority of his working time must be in the Company's offices in Fairport, New York; and provided that the Executive may be required under business circumstances to travel outside of such location in connection with performing his duties under this Agreement.

3. Compensation.

- 3.1. **Base Salary.** During the Term, the Company shall pay to Executive an annualized salary of \$600,000 (the "Base Salary"), payable subject to standard federal and state payroll withholding requirements in accordance with the Company's standard payroll practices, but not less frequently than monthly. The Base Salary will be reviewed annually by the Board and may be increased (but not decreased without the Executive's consent) to reflect the Executive's performance and responsibilities.
- 3.2. **Annual Cash Bonuses.** The Executive shall be eligible to earn a cash performance bonus for 2022 and later years during the Term (each, a "Bonus"). During the fourth quarter of each year during the Term, the Board and the Executive shall negotiate in good faith to determine an appropriate target bonus amount for the Bonus in respect of the following

year. For 2022, the target bonus range shall be \$3,000,000 to \$3,500,000. For 2022 only, the Company shall accrue a portion of the Bonus as of the Effective Date (such portion, the “Accrued Bonus”) based on the following formula: the product of \$3,250,000 (which is the median of the 2022 target bonus range) multiplied by a fraction, the numerator of which is the number of days since the start of the Company’s fiscal year until the Effective Date divided by 365. The remaining portion of the Bonus in respect of 2022 that shall be earned by the Executive for the portion of the Company’s fiscal year from and after the Effective Date through the end of the Company’s fiscal year in which the Effective Date occurs shall be referred to as the “Stub-Period Bonus.” The minimum amount of the Bonus in respect of 2022 that will be actually payable to Executive shall be the Accrued Bonus, and the Stub-Period Bonus shall be determined at the good faith discretion of the Board; *provided*, that such Bonus (i.e., the aggregate of the Accrued Bonus and the Stub- Period Bonus) shall not be prorated in 2022 based on the Effective Date (for the avoidance of doubt, this only applies to the cash performance bonus payable to the Executive from the Company in respect of the 2022 year). Each Bonus shall be subject to the satisfaction of the Performance Criteria and to the Executive’s continued employment with the Company through the applicable payment date. The Board will determine in its sole discretion the extent to which the Executive and the Company have achieved the Performance Criteria upon which the bonus is based and the amount of the Bonus. Any earned Bonus shall be paid in cash as soon as practicable in the calendar year immediately following the year to which it relates; *provided, however*, up to 40% of each Bonus may be deferred and paid in the form of a vested award under the Company’s Long-Term Incentive Plan, pursuant to the terms of the Company’s Deferred Incentive Compensation Program as in effect on the Effective Date, and/or one or more Company equity instruments. For purposes of this Agreement, “Performance Criteria” means Company and individual goals and objectives and key performance indicators established by the Board in its discretion for the applicable bonus year, after discussion and consultation with the Executive.

4. Employee Benefits; Fringe Benefits and Perquisites.

- 4.1. **Benefits.** The Executive shall be entitled to participate in such health, group insurance, welfare, pension, and other employee benefit plans, programs, and arrangements as are made generally available from time to time to other employees of the Company, subject to the Executive’s satisfaction of all applicable eligibility conditions of such plans, programs, and arrangements. Nothing herein shall be construed to limit the Company’s ability to amend or terminate any employee benefit plan or program in its sole discretion.
- 4.2. **Fringe Benefits; Perquisites.** During the Term, the Executive shall be entitled to participate in all fringe benefits and perquisites made available to other employees of the Company, subject to the Executive’s satisfaction of all applicable eligibility conditions to receive such fringe benefits and perquisites.
- 4.3. **Vacation.** During the Term, the Executive shall be entitled to four weeks’ vacation annually or such other amount as may be set forth in the Company’s vacation policy as may be in effect from time to time during the Term. Vacation time must be used in the

year in which it is earned and may not be carried over to the following year. Any accrued, unused vacation shall be forfeited on December 31 of each year.

4.4. Reimbursements.

- (a) **Business Expenses.** Subject to such policies generally applicable to senior executives of the Company, as may from time to time be established by the Board, the Company shall pay or reimburse the Executive for all reasonable expenses (including travel expenses) actually incurred or paid by the Executive during the Term in the performance of the Executive's services under this Agreement ("Expenses"), upon presentation of appropriate supporting documentation and otherwise in accordance with and subject to the expense reimbursement policy of the Company. For the avoidance of doubt, to the extent that any reimbursements payable to the Executive are subject to the provisions of Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"): (a) any such reimbursements will be paid no later than December 31 of the year following the year in which the expense was incurred, (b) the amount of expenses reimbursed in one year will not affect the amount eligible for reimbursement in any subsequent year, and (c) the right to reimbursement under this Agreement will not be subject to liquidation or exchange for another benefit.
- (b) **Travel Expenses.** The Company shall pay or reimburse the Executive up to a gross amount of \$20,000 per year for travel expenses to the Company's offices in Rochester, New York (or Fairport, New York, as the case may be) that are actually incurred or paid by the Executive, upon presentation of appropriate supporting documentation and otherwise in accordance with and subject to the expense reimbursement policy of the Company.

4.5. **Controlling Document.** To the extent there is any inconsistency between the terms of this Agreement and the terms of any plan or program under which compensation or benefits are provided hereunder, this Agreement shall control. Otherwise, the Executive shall be subject to the terms, conditions and provisions of the Company's plans and programs, as applicable.

5. Termination.

- 5.1. **Termination Upon Death.** This Agreement shall terminate automatically upon the Executive's death.
- 5.2. **Removal from Position Upon Disability.** If during the Term, the Executive incurs a Disability, then the Company, by written notice to the Executive, shall have the right to remove him from his position and any such termination shall not constitute a termination without Cause. For purposes of this Agreement, "Disability" shall have the same meaning given such term in the long-term disability plan or policy maintained by the Company.
- 5.3. **Termination for Cause.** The Company may at any time, by written notice to the Executive, terminate the Executive's employment hereunder for Cause. For purposes hereof, the term "Cause" shall mean: (a) a material breach by the Executive of his fiduciary duties to the Company; (b) the Executive's material breach of this Agreement or any other

agreement between the Company or the Board and the Executive, which, if curable, remains uncured or continues after 30 days' notice by the Company thereof; (c) the conviction of, or entry of a plea of guilty or nolo contendere to, (i) any crime constituting a felony in the jurisdiction in which committed, (ii) any crime involving moral turpitude (whether or not a felony), or (iii) any other criminal act involving embezzlement, misappropriation of money, or fraud (whether or not a felony); (d) reporting to work or working while using illegal drugs; or (e) the Executive's material negligence or dereliction in the performance of, or failure to perform the Executive's duties of employment with the Company, which remains uncured or continues after 30 days' notice by the Company thereof; or (f) any willful conduct, action or behavior by the Executive that is materially damaging to the Company, whether to the business interests, finance or reputation. In addition, Executive's employment shall be deemed to have terminated for Cause if, on the date that the Executive's employment terminates, facts and circumstances exist that would have justified a termination for Cause, even if such facts and circumstances are discovered in good faith after such termination and communicated to the Executive within 9 months of his termination of employment.

5.4. Termination without Cause. The Company may terminate the Executive's employment without Cause at any time.

5.5. Resignation with or without Good Reason.

- (a) This Agreement and the Executive's employment hereunder may be terminated by the Executive with Good Reason at any time as set forth in Section 5.5(b) below, and without Good Reason upon one hundred eighty (180) days advanced written notice from the Executive to the Company.
- (b) For purposes of this Agreement, "Good Reason" means any of the following that has not been approved in writing in advance by the Executive: (i) a material diminution of the Executive's titles including, but not limited to, the appointment of a co-Chief Executive Officer of the Company, the Executive becoming the chief executive officer of a division or subsidiary instead of the Chief Executive Officer of the Company, or the Executive no longer reporting directly to the Board; (ii) a material diminution of the Executive's duties, responsibilities, authorities or reporting relationship or obligations such that the Executive is no longer serving as the sole most senior executive managing the day-to-day operations of the Company's business (iii) the failure of the Board to nominate the Executive for election or reelection as a director of TopCo; (iv) a material reduction in the Executive's Base Salary or target cash bonus (other than pursuant to the terms of this Agreement); (v) a relocation of the Executive's principal place of employment by more than 50 miles from the Company's offices in Fairport, New York (other than a relocation to New York, New York); (vi) the Executive is not the Chief Executive Officer of the Company; or (vii) a material breach by the Company of this Agreement or any other agreement between the Company or the Board and the Executive. Notwithstanding the foregoing, "Good Reason" for the Executive to resign shall not exist unless: (A) the Executive provides the Company with written notice of the existence of the condition giving rise to Good Reason specifying in reasonable detail the facts and

circumstances claimed to provide a basis for termination of the Executive's employment for Good Reason within 90 days after its initial occurrence; (B) the Company fails to remedy such condition within 30 days after its receipt of such written notice; and (C) the Executive resigns within 60 days after the cure period has lapsed. Any resignation or termination pursuant to the terms of this Section 5.5 shall not constitute a breach of this Agreement by either party. In addition to, and in no way limiting, the foregoing, "Good Reason" shall include the agreement of the Board that a resignation shall be treated as a resignation with Good Reason.

5.6. Return of Information and Data. Upon the termination of employment of the Executive's employment with the Company (the "Termination Date") or at the request of the Board at any time during the Term, the Executive (or his legal representative) will deliver to the Company all copies of investment strategy descriptions, screens, research procedures manuals, operations and/or marketing procedures manuals, statements of investment objectives, marketing brochures, and other materials of the Company or of any of its affiliates which may be in his possession. The Executive will not retain but will deliver to the Company any other documents, including copies, relating to the information, knowledge or data described above.

6. Compensation Upon Termination. Other provisions of this Agreement notwithstanding, upon the occurrence of an event described in Section 5, the parties shall have the following rights and obligations:

6.1. Death. If the Executive's employment is terminated during the Term by reason of the Executive's death, (i) the Company shall pay to the Executive's estate the Accrued Benefits, and (ii) any and all unvested equity awards granted to him pursuant to the Merger Agreement (including, for clarity, any equity equivalents such as mutual fund awards) which are held by or for the benefit of Executive on the Termination Date shall immediately vest and become non-forfeitable in Executive's estate. "Accrued Benefits" means: (a) the accrued but unpaid Base Salary through the Termination Date, payable within 30 days following the Termination Date or such earlier date as may be required by law; (b) reimbursement for any unreimbursed Expenses incurred through the Termination Date, payable within 30 days following the Termination Date; and (c) all other earned (including, for clarity, accrued bonus amounts that have not yet been paid to Executive as of the Termination Date) or vested payments, benefits, or fringe benefits to which the Executive shall be entitled as of the Termination Date under the terms of any applicable compensation arrangement or benefit, equity, or fringe benefit plan or program or grant.

6.2. Disability.

(a) If the Executive is removed from his position during the Term because of his Disability, (i) the Company shall pay to the Executive the Accrued Benefits, and (ii) any and all unvested equity awards granted to him pursuant to the Merger Agreement (including, for clarity, any equity equivalents such as mutual fund awards) which are held by or for the benefit of Executive on the Termination Date shall immediately vest and become non-forfeitable in Executive from and after such date. If the Executive is removed from his position during the Term because of his Disability,

then the Company shall pay to the Executive a pro-rata portion of the target amount of the annual cash bonus for the year in which the removal occurs based on the number of days in such year through the Termination Date, payable within 30 days following the Termination Date. All payments to be provided to the Executive under this Section 6.2(a) shall be subject to the Executive's compliance with the restrictions in Section 8.

- (b) In addition, the Executive, for the period of time during which his Disability continues, may continue to participate in certain of the employee benefit plans in which he participated immediately prior to his removal. These benefits would include participation in, as applicable and to the extent defined in the Company's applicable plans, group life, medical/dental and disability insurance plans, each at the same ratio of employer/employee contribution as applicable to the Executive immediately prior to his removal; and, thereafter, at the same ratio of employer/employee contribution as then-applicable to other executive-level employees in the Company. In addition, the Executive shall be entitled to compensation and benefits accrued through the date of his removal from his duties, including any amounts payable to the Executive under any Company profit sharing or other employee benefit plan up to the date of removal, to the extent permitted under the terms of such plan.

6.3. Termination for Cause or Resignation without Good Reason. If the Executive's employment shall be terminated by the Company for Cause, or by the Executive without Good Reason, then: (a) the Company shall pay to the Executive the Accrued Benefits; and

- (b) the Executive shall immediately forfeit as of the Termination Date his unvested equity and any unpaid annual cash bonuses.

6.4. Termination without Cause or Resignation for Good Reason.

- (a) If the Executive's employment is terminated by the Company without Cause, or the Executive resigns for Good Reason, the Company shall pay to the Executive the Accrued Benefits. If the Executive's employment is terminated by the Company without Cause, or the Executive resigns for Good Reason: (i) the Company shall pay to the Executive cash severance in the amount of \$5 million payable (the "Severance Payments") over the two-year period following the Termination Date; provided, however, any installments that would otherwise be paid before the period for the execution and non-revocation of the Release (as defined below) expires will be retained by the Company and paid with the first payroll period commencing on or after expiration of such period, and (ii) any and all unvested equity awards granted to him pursuant to the Merger Agreement (including, for clarity, any equity equivalents such as mutual fund awards) which are held by or for the benefit of Executive on the Termination Date shall immediately vest and become non-forfeitable in Executive from and after such date. In the event any termination described under this Section 6.4(a) shall occur prior to the full payment to Executive of his Bonus in respect of 2022, then the amount in clause (i) above shall be increased by 60% of the amount of the Accrued Bonus (the "Additional Severance Amount"), *provided* that the Additional Severance Amount shall be paid to Executive in one cash lump sum at the same time that annual bonuses are paid to the Company's remaining executives but

in no event later than March 15 of the year following the year in which the Termination Date occurs, subject to Executive's execution and non-revocation of the Release.

- (b) All payments to be provided to the Executive under this Section 6.4 shall be subject to the Executive's (x) compliance with Sections 6.6 through 6.9, the restrictions in Section 8, any other post-termination obligations and agreements governing confidentiality, assignment of inventions, or restrictive covenants, and (y) within no more than forty-five days after the Termination Date, execution of a reasonable and customary general release and waiver of claims against the Company, its affiliates and its and their officers, directors, employees and agents from any and all liability arising from the Executive's employment relationship with the Company and his service on the board of directors of any of the Company's affiliates (which release will include an agreement between both parties not to disparage the other and contain restrictive covenants no more extensive than those that apply to Executive hereunder which is provided by the Company to the Executive) that is not revoked during the seven-day period after signing (the "Release").

6.5. Termination or Repayment of Severance Payments. In addition to the foregoing, and not in any way in limitation thereof, or in limitation of any right or remedy otherwise available to the Company, if the Executive materially breaches any provision of this Agreement, any obligation of the Company to pay Severance Payments shall be terminated and of no further force or effect, and the Executive shall promptly repay to the Company any Severance Payments previously made to the Executive, in each case, without limiting or affecting the Executive's obligations under this Agreement or the Company's other rights and remedies available at law or equity; provided that under such circumstance, if the Company determines that the breach is curable, the Company shall provide the Executive with advanced written notice of such material breach and a reasonable opportunity within which to cure any such material breach.

6.6. Return of Company Property. Upon termination of the Executive's employment for any reason or under any circumstances, the Executive shall promptly return any and all of the property of the Company and any affiliates (including, without limitation, all computers with all files and data stored thereon intact, keys, credit cards, identification tags, documents, data, confidential information, work product, and other proprietary materials), and other materials.

6.7. Post-Termination Cooperation. The Executive agrees and covenants that, following the Term, he shall, to the extent requested by the Company, cooperate in good faith with the Company to assist the Company in the pursuit or defense of (except if the Executive is adverse with respect to) any claim, administrative charge, or cause of action by or against the Company as to which the Executive, by virtue of his employment with the Company or any other position that the Executive holds that is affiliated with or was held at the request of the Company, has relevant knowledge or information, including by acting as the Company's representative in any such proceeding and, without the necessity of a subpoena, providing truthful testimony in any jurisdiction or forum. The Company shall compensate Executive at a rate consistent with his Base Salary per hour for services

provided in compliance with this Section 6.7 and shall reimburse Executive for his reasonable out-of-pocket expenses incurred in compliance with this Section 6.7.

- 6.8. **Post-Termination Non-Assistance.** Executive agrees and covenants that, following the Term, he or she shall not voluntarily assist, support, or cooperate with, directly or indirectly, any person or entity alleging or pursuing or defending against any claim, administrative charge, or cause or action against or by the Company, including by providing testimony or other information or documents, except under compulsion of law. Should Executive be compelled to testify, nothing in this Agreement is intended or shall prohibit Executive from providing complete and truthful testimony. Nothing in this Agreement shall in any way prevent Executive from cooperating with any investigation by any federal, state, or local governmental agency.
- 6.9. **Other Positions.** If Executive holds any other positions with the Company, TopCo, or any of its Affiliates, then upon expiration of the Term or termination of Executive's employment by the Company for any reason, whether voluntary or involuntary, Executive shall resign such position(s) to be effective no later than the Termination Date (or such other date as requested by the Board).
7. **Intellectual Property.** All inventions, discoveries, ideas, improvements, innovations or developments, and other intellectual property, whether patentable or not, relating to the existing business or products, or proposed business or products disclosed to the Executive during his employment, of the Company and its affiliates, conceived, generated or reduced to practice by or worked on by Executive, alone or in combination with others, whether or not during working hours, during his employment by the Company (collectively, the "Inventions"), shall be the exclusive property of the Company and its affiliates, and the Executive does and will irrevocably assign to the Company or its designee the Executive's entire right, title and interest now existing or that may exist in the future in and to any such Inventions. The Executive shall execute and deliver to the Company all assignments and other documents, and take all other action reasonably requested by the Company, at the Company's expense, during or subsequent to his employment, to vest title in any such Inventions or other intellectual property in the Company and its affiliates and/or to obtain patents, trademarks or copyrights therefor.
8. **Restrictive Covenants.** In the course of developing its investment advisory business, the Company and its affiliates have developed forms of organization, business processes, procedures, computer software, investment strategies, screens and pricing disciplines, client procurement and retention strategies, marketing and business strategies, and other aspects of its business (collectively, the "procedures") which it considers, and the Executive acknowledges, to be proprietary and/or distinctive within its businesses. Many of these procedures have been created and refined over a period of many years, at considerable cost, and in some cases may not change for a period of many years. The Company and its affiliates seek to protect its distinctive and proprietary procedures from competitors by obtaining from the Executive various non-disclosure and non-competition agreements, which the Executive acknowledges are reasonably necessary for the protection of the interests of the Company and its affiliates.

8.1. **Non-Disclosure.**

- (a) The Executive shall forever hold in a fiduciary capacity for the benefit of the Company all secret or confidential information, knowledge or data relating to the Company or any of its affiliates, and their respective businesses, which shall have been obtained by the Executive during the Executive's employment by the Company or any of its affiliates and which shall not be public knowledge (other than as a result of a breach of this Section 8.1 by the Executive), including, without limitation, such information, knowledge or data regarding its or their business or investment methodologies, procedures, programs, source codes, clients, information relating to clients, prices, product strengths and weaknesses, or future developments or plans. The Executive shall not, without the prior written consent of the Company or except as required by law or in a judicial or administrative proceeding with subpoena powers, communicate or divulge any such information, knowledge or data to anyone other than the Company and those designated by it.
- (b) Notwithstanding the foregoing, nothing in this Agreement shall (i) prohibit the Executive from making reports of possible violations of federal law or regulation to any governmental agency or entity in accordance with the provisions of and rules promulgated under Section 21F of the Securities Exchange Act of 1934 or Section 806 of the Sarbanes-Oxley Act of 2002, or of any other whistleblower protection provisions of state or federal law or regulation, or (ii) require notification or prior approval by the Company of any reporting described in clause (i).
- (c) Pursuant to The Defend Trade Secrets Act (18 USC § 1833(b)), the Executive may not be held criminally or civilly liable under any federal or state trade secret law for disclosure of a trade secret: (i) made in confidence to a government official, either directly or indirectly, or to an attorney, solely for the purpose of reporting or investigating a suspected violation of law; and/or (ii) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. Additionally, the Executive, if suing the Company for retaliation based on the reporting of a suspected violation of law, may disclose a trade secret to his attorney and use the trade secret information in the court proceeding, so long as any document containing the trade secret is filed under seal and the Executive does not disclose the trade secret except pursuant to court order.

8.2. **Non-Competition.** The Executive will not, without the express written consent of the Company, which consent shall not be unreasonably withheld, during the period of the Executive's employment with the Company, and for a period of two years thereafter, directly or indirectly, (a) engage in (as a principal, partner, director, officer, stockholder (except as permitted below), agent, employee, or consultant); or (b) be financially interested in, any entity materially engaged in any portion of the business of the Company or its affiliates within the territory served, or contemplated to be entered, by the Company or its affiliates on the date of such termination of employment. Nothing contained herein shall (i) prevent the Executive from owning beneficially or of record not more than five percent of the outstanding equity securities of any entity whose equity securities are registered under the Securities Act of 1933, as amended, or are listed for trading on any

recognizable United States or foreign stock exchange or market, (ii) prevent the Executive from being an employee, principal, partner, officer, stockholder or agent of an asset owner (e.g., pension plan, endowment, family office, etc.), or (iii) prevent the Executive from serving on the board of directors or board of trustees of a mutual fund at any time after the 3-month anniversary of the Executive's termination of employment. The business of the Company and its affiliates shall be defined to include investment management, investment research, advice and discretionary management; custody and trust administration; wealth, benefits and risk management services, and related business.

- 8.3. **Non-Solicitation.** The Executive will not, for a period of two years after the termination of the Executive's employment with the Company for any reason, directly or indirectly, whether alone or as partner, owner, officer, director, employee, shareholder, consultant, or otherwise, without the express written consent of the Company, hire, employ, retain, or contract any person who then is or during one year prior to the termination date was an employee of or consultant to the Company or its affiliates and with whom the Executive has material contact. The Executive will not, for a period of two years after the termination of the Executive's employment with the Company for any reason, directly or indirectly, whether alone or as partner, owner, officer, director, employee, shareholder, consultant, or otherwise, without the express written consent of the Company, (a) persuade or encourage or attempt to persuade or encourage any customer, client, partner, affiliate, supplier, or vendor of the Company or an affiliate to cease doing business with the Company or an affiliate or to compete with the Company or an affiliate on its own or with any competitor of the Company or an affiliate, or (c) solely with respect to clients or customers for whom the Company or an affiliate is a provider of investment management services with respect to 50% or more of the client's or customer's assets under management, do business with, accept or engage any such customer, client, partner, affiliate, supplier, or vendor of the Company or an affiliate for products or services competitive with the Company or an affiliate. The Executive acknowledges that the foregoing restrictions in this Section 8 are necessary since many of the procedures, strategies and other business plans and techniques of the Company and its affiliates have considerable ongoing value.
- 8.4. **Enforceability of Provisions.** If any restriction set forth in this Section 8 is found by any court of competent jurisdiction to be unenforceable because it extends for too long a period of time or over too great a range of activities or in too broad a geographic area, it shall be interpreted to extend only over the maximum period of time, range of activities or geographic area as to which it may be enforceable, it being understood and agreed that by the execution of this Agreement, the parties hereto regard the restrictions herein as reasonable and compatible with their respective rights.
- 8.5. **Remedy for Breach.** The Executive hereby acknowledges that the provisions of this Section 8 are reasonable and necessary for the protection of the Company and its respective subsidiaries and affiliates. In addition, the Executive further acknowledges that the Company and its respective subsidiaries and affiliates will be irrevocably damaged if such covenants are not specifically enforced. Accordingly, the Executive agrees that, in addition to any other relief to which the Company may be entitled, the Company will be entitled to seek and obtain injunctive relief (without the requirement of any bond) from a

court of competent jurisdiction for the purposes of restraining the Executive from an actual or threatened breach of such covenants. In addition, and without limiting the Company's other remedies, in the event of any breach by the Executive of such covenants, the Company will have no obligation to pay any of the amounts that remain payable by the Company in Section 6.

9. Tax Matters.

- 9.1. **Withholdings.** The Company may withhold from any amounts payable under this Agreement such federal, state or local taxes as shall be required to be withheld pursuant to any applicable law or regulation.
- 9.2. **Section 280G.** In the event that the Executive may become entitled to any payments or benefits under this Agreement and any portion of such payments or benefits, when combined with any other payments or benefits provided to Executive (including, without limiting the generality of the foregoing, by reason of the exercise or vesting of any equity awards), would in the absence of this Section 9.2 be subject to the tax (the "Excise Tax") imposed by Section 4999 of the Code, then the Company and the Executive agree that, subject to the Executive's execution of a customary waiver of any "excess parachute payments" (within the meaning of Section 280G of the Code and the regulations thereunder (collectively, "Section 280G")) unless shareholder approval described below is obtained, the Company shall use commercially reasonable efforts to seek shareholder approval of any such excess parachute payments in accordance with Section 280G on a "slate" basis, such that no portion of any parachute payments to the Executive would be subject to the Excise Tax if such shareholder approval is obtained.
- 9.3. **Section 409A.** The compensation and benefits provided under this Agreement are intended to qualify for an exemption from or to comply with the requirements of Section 409A of the Code and the treasury regulations and other official guidance issued thereunder (collectively, "Section 409A"), so as to prevent the inclusion in gross income of any compensation or benefits accrued hereunder in a taxable year prior to the taxable year or years in which such amount would otherwise be actually distributed or made available to the Executive, and this Agreement shall be administered and interpreted consistent with such intention. The preceding provision, however, shall not be construed as a guarantee by the Company of any particular tax effect to the Executive under this Agreement. The Company shall not be liable to the Executive for any payment made under this Agreement that is determined to result in an additional tax, penalty or interest under Section 409A, nor for reporting in good faith any payment made under this Agreement as an amount includable in gross income under Section 409A. References to "termination of employment" and similar terms used in this Agreement mean, to the extent necessary to comply with or qualify for an exception from Section 409A, the date that the Executive first incurs a "separation from service" within the meaning of Section 409A. To the extent any reimbursement provided under this Agreement is includable in the Executive's income, such reimbursements shall be paid to the Executive not later than December 31st of the year following the year in which the Executive incurs the expense and the amount of reimbursable expenses provided in one year shall not increase or decrease the amount of reimbursable expenses to be provided in a subsequent year. Notwithstanding anything

in this Agreement to the contrary, if at the time of the Executive's separation from service with the Company, the Executive is a "specified employee" as defined in Section 409A, and any payment payable under this Agreement as a result of such separation from service is required to be delayed by six months pursuant to Section 409A, then the Company will make such payment on the date that is six months and one day following the Executive's separation from service with the Company. The amount of such payment will equal the sum of the payments that would have been paid to the Executive during the six-month period immediately following the Executive's separation from service had the payment commenced as of such date. Each payment under this Agreement shall be designated as a "separate payment" within the meaning of Section 409A.

10. Miscellaneous.

- 10.1. **Clawback.** Notwithstanding any other provision of this Agreement to the contrary, if the Company is required to prepare an accounting restatement due to the material noncompliance of the Company with any financial reporting requirements under the securities laws, then the Executive shall return to the Company, or forfeit if not yet paid, the amount of any incentive-based compensation received during the three-year period preceding the date on which the Company is required to prepare the accounting restatement, based on the erroneous data, in excess of what would have been paid to the Executive under the accounting restatement as determined by the Company.
- 10.2. **Right of Set Off.** In the event of a breach by the Executive of the provisions of this Agreement, the Company is hereby authorized at any time and from time to time, to the fullest extent permitted by law, and after 10 days prior written notice to the Executive, to set off and apply any and all amounts at any time held by the Company on behalf of the Executive and all indebtedness at any time owing by the Company to the Executive against any and all of the obligations of the Executive now or hereafter existing.
- 10.3. **Notices.** Any notice, consent, demand, or other communication to be given under or in connection with this Agreement shall be in writing and shall be delivered personally, telecopied, or sent by certified, registered or express mail, postage prepaid, to the parties at the following addresses or at such other addresses as shall be specified by the parties by like notice, and shall be deemed given when so delivered personally, telecopied or if mailed, two days after the date of mailing, , if to the Company, at its principal office, and, if to the Executive, to him at the address noted in the Company's records.
- 10.4. **Entire Agreement.** This Agreement and the documents referenced herein contain the entire understanding of the Company and the Executive and supersedes all prior or contemporaneous negotiations, correspondence, understandings and agreements between the parties, regarding the subject matter of this Agreement, including the Prior Agreement.
- 10.5. **Inconsistencies.** In the event of any inconsistency between any provision of this Agreement and any provision of any Company arrangement, the provisions of this

Agreement shall control, unless the Executive and the Company otherwise agree in a writing that expressly refers to the provision of this Agreement that is being waived.

- 10.6. **Amendment.** This Agreement may not be amended or modified otherwise than by a written agreement executed by the parties hereto or their respective successors and legal representatives. No delay on the part of any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any waiver on the part of any party of any right, power or privilege hereunder, nor any single or partial exercise of any right, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege hereunder.
- 10.7. **Governing Law; Jurisdiction.** This Agreement shall be construed in accordance with the substantive laws of the State of New York, without regard to any principles of conflicts of laws. Any claim by either party against the other in connection with any provision of this Agreement or any claim, dispute, or controversy arising from the employment as contemplated hereby, (including claims for injunctive relief), may be prosecuted in the applicable court described below. The venue for any claim or action shall be in a court in Rochester, New York, in the Western District of New York (if in federal court) and in Monroe County, New York (if in state court). Each party hereby consents to the exclusive jurisdiction of the courts in the preceding sentence for the claims or actions specified therein (including actions or claims by affiliates of the Company) agrees that service of process shall be sufficient if sent to the applicable party at the address designated pursuant to Section 10.3, by registered or certified mail, postage prepaid, return receipt requested.
- 10.8. **Assignment.** This Agreement shall inure to the benefit of and shall be binding upon the Company and its successors. This Agreement is personal to the Executive and shall not be assignable by Executive otherwise than by will or the laws of descent and distribution. The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company to expressly assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. As used in this Agreement, "Company" shall mean the Company as hereinbefore defined and any successor to its business and/or assets as aforesaid which assumes and agrees to perform this Agreement by operation of law, or otherwise.
- 10.9. **Voluntary Execution; Representations.** Executive acknowledges that (a) he has consulted with or has had the opportunity to consult with independent counsel of his own choosing concerning this Agreement and has been advised to do so by the Company, and (b) he has read and understands this Agreement, is competent and of sound mind to execute this Agreement, is fully aware of the legal effect of this Agreement, and has entered into it freely based on his own judgment and without duress.

- 10.10.**Headings.** The headings of the Sections and Subsections contained in this Agreement are for convenience only and shall not be deemed to control or affect the meaning or construction of any provision of this Agreement.
- 10.11.**Construction.** The language used in this Agreement shall be deemed to be the language chosen by the parties to express their mutual intent, and no rule of strict construction shall be applied against any party.
- 10.12.**Survivorship.** Except as otherwise set forth in this Agreement, the respective rights and obligations of the parties shall survive any termination of Executive’s employment.
- 10.13.**Severability.** If any term, provision, covenant or restriction of this Agreement, or any part thereof, is held by a court of competent jurisdiction of any foreign, federal, state, county or local government or any other governmental, regulatory or administrative agency or authority to be invalid, void, unenforceable or against public policy for any reason, the remainder of the terms, provisions, covenants and restrictions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated.
- 10.14.**Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all such counterparts shall together constitute one and the same instrument. Signatures delivered by facsimile or PDF shall be effective for all purposes.

[Signature Page Immediately Follows]

IN WITNESS WHEREOF, the parties have executed this Agreement on the date first above written.

CALLODINE MIDCO, INC.

By: /s/ James Morrow Name: James Morrow Title: Chief Executive Officer

Executive:

By: /s/ Marc Mayer Name: Marc Mayer

Certification
Pursuant to Section 302
of the Sarbanes-Oxley Act of 2002

I, Marc Mayer, certify that:

1. I have reviewed this report on Form 10-Q of Manning & Napier, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Marc Mayer

Marc Mayer
Chief Executive Officer
(principal executive officer)

Date: May 10, 2022

**Certification
Pursuant to Section 302
of the Sarbanes-Oxley Act of 2002**

I, Paul J. Battaglia, certify that:

1. I have reviewed this report on Form 10-Q of Manning & Napier, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Paul J. Battaglia

Paul J. Battaglia

Chief Financial Officer

(principal financial and accounting officer)

Date: May 10, 2022

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

I, Marc Mayer, the Chief Executive Officer of Manning & Napier, Inc. (the “Company”), hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- The Quarterly Report on Form 10-Q of the Company for the quarter ended March 31, 2022 as filed with the Securities and Exchange Commission on the date hereof (the “Form 10-Q”), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- The information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Marc Mayer

Marc Mayer
Chief Executive Officer
(principal executive officer)

Date: May 10, 2022

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

I, Paul J. Battaglia, the Chief Financial Officer of Manning & Napier, Inc. (the “Company”), hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- The Quarterly Report on Form 10-Q of the Company for the quarter ended March 31, 2022 as filed with the Securities and Exchange Commission on the date hereof (the “Form 10-Q”), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- The information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Paul J. Battaglia

Paul J. Battaglia

Chief Financial Officer

(principal financial and accounting officer)

Date: May 10, 2022