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Letter from the

# Chair of the Board Remuneration Committee

On behalf of the Board, I am pleased to present the 2022 Remuneration Report as Chair of the Board Remuneration Committee (BRC).

During the 2022 financial year (FY2022), Macquarie teams continued to support our clients, partners and the broader community as the world emerged from the COVID-19 pandemic. We are mindful of the challenges faced by many due to the ongoing impact of the pandemic and amid uncertain geopolitical and market conditions.

We remain guided by our core principles and purpose of 'empowering people to innovate and invest for a better future'. Macquarie's ongoing success as an organisation and ability to deliver positive outcomes for all our stakeholders relies on the

commitment of our people to identify new opportunities and manage uncertainty. As such, it is critical that we attract, motivate and retain exceptional people.

Macquarie's proven risk management framework and culture position us well to respond to a dynamic short and long-term environment. Our strength in business and geographic diversity and ability to adapt our portfolio mix to changing market conditions is reflected through the record financial results and returns to shareholders in FY2022:

- Net profit after tax (NPAT) is up 56% compared to FY2021
- Return on Equity (ROE) of 18.7% is up compared to FY2021's 14.3%
- Earnings per share (EPS) of 1,271.7 cents per share is up 51% compared to FY2021
- the FY2022 full-year dividend is up 32% compared to FY2021.

## Review of the remuneration framework

Our longstanding approach to remuneration has been a key driver of our sustained success. Staff are rewarded based on their performance against a range of financial and non-financial considerations, delivering positive outcomes over the long-term for our clients, shareholders, partners and communities. Nevertheless, we continue to review and adjust our approach to ensure that the remuneration framework remains fit for purpose and balances the evolving expectations of all our stakeholders.

During the year, the Board reviewed all structural components of the remuneration framework, taking into account a range of perspectives. As economies emerge from the pandemic, we are seeing a highly competitive global market where businesses are struggling to attract and retain key talent. This dynamic is continuing into FY2023. Macquarie has not been immune to this market-wide challenge, which has impacted voluntary turnover levels and our ability to fill open roles. We have also reviewed the remuneration framework against the expectations of shareholders and regulators, including APRA's new Prudential Standard CPS 511 *Remuneration* (CPS 511).

Following a comprehensive review, the Board approved several changes to fine-tune our approach. The Board considers that the revised remuneration arrangements remain consistent with our remuneration principles and longstanding approach while responding to a broad range of expectations.

The key structural changes to be implemented in a phased approach include:

- changes to the malus framework from FY2022 which was last amended in 2015. The group of employees who will be subject to malus is expanded to include all Executive Directors (EDs). The events that may trigger the application of the malus provisions were also expanded and aligned to CPS 511 and the expectations of other global regulators
- changes to the release of retained profit share on termination from FY2023. For profit share allocations made to EDs from FY2023, where the Board exercises its discretion to accelerate vesting on termination, the six-month release point post-termination will be removed. Amounts that would have vested after six months will now be released after 12 months and amounts that would have vested after 12 months will now be released after 24 months
- increases to fixed remuneration levels for FY2024. Fixed remuneration will be increased for the CEO and Executive Key Management Personnel (KMP) but will remain low relative to the industry and as a proportion of total remuneration
- changes to profit share retention and vesting arrangements from FY2024. From FY2024, retention rates and vesting periods will be reduced for certain senior employees. For the CEO and Executive KMP, retention rates will be reduced by up to 10% and vesting periods will be shortened by two years, remaining long enough to appropriately consider the time horizons of risk. Upon retirement from Macquarie or redundancy, unvested retained profit share will no longer be accelerated and released over a two-year period, but instead will continue to vest on its original schedule (up to five years)

For the CEO and Executive KMP, whilst an increased proportion of remuneration will vest during employment, the above changes will remove the acceleration of unvested retention and extend the release period post-termination (in the case of redundancy or retirement from Macquarie). Additionally, retention rates and vesting periods will meet or exceed both the minimums required under CPS 511 and the deferral arrangements of many of Macquarie's global comparators.

- changes to vesting of Performance Share Units (PSUs) from FY2024. For PSUs granted from FY2024 onwards, the vesting period will be extended by a year for the MGL CEO and the MBL CEO, to reflect regulatory expectations and increase the alignment to shareholders.

Further detail on these changes is provided on pages 99 to 100.

## Performance and remuneration outcomes for FY2022

The Board spends considerable time each year assessing performance and determining remuneration outcomes for the CEO and Executive KMP. Mindful of the external focus on overall remuneration levels, and recognising the expectations and perspectives of all stakeholders, the Board has considered a range of factors critical to Macquarie's ongoing success.

In addition to considering the financial results of Macquarie overall as well as each Operating Group, the Board continues to focus on non-financial considerations to ensure senior management are accountable for their decisions, behaviours and associated risk management, customer and reputational consequences.

The Board's determination of remuneration outcomes for FY2022 for the CEO and Executive KMP reflect the following factors:

- record profits and strong financial performance while delivering sound customer/client and community outcomes across all four businesses
- the strong leadership of the CEO and the whole Executive Committee demonstrating both an alignment to our purpose and ongoing resilience to the impacts of the COVID-19 pandemic
- increased cross-collaboration across Macquarie, including strategic initiatives to reflect the evolving environment in climate solutions and energy transition
- continued focus on building a diverse, equitable and inclusive work environment
- the continued investment in technology and digitalisation
- role-modelling and encouragement of behaviours that support a strong risk culture
- focus on regulatory engagement, in particular commitment to strengthening regulatory relationships, prudential compliance and governance across Macquarie
- progress against the APRA remediation plan to strengthen the voice of the Bank
- continued focus on Work Health and Safety (WHS) as a key priority to reduce the risk of serious injuries and fatalities across our activities. This priority will continue into FY2023
- the management of financial and non-financial risks. During the year, there has been a strong focus on enhancements of risk capabilities and risk frameworks. While we have no systemic concerns, there have been risk management issues during the

# Remuneration Report

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year for which we have imposed remuneration impacts to the MGL CEO, the MBL CEO and relevant Executive KMP.

After careful consideration of these factors, we believe the following outcomes for the year are appropriate:

- CEO awarded profit share has increased 26% on the prior year to \$A25.0 million
- total Executive KMP awarded profit share of \$A123.82 million (up 16% on the prior year)
- PSU allocations of \$A4.0 million for the CEO and ranging from \$A1.4 million to \$A2.8 million for Executive KMP.

## Culture, accountability and remuneration

Macquarie's evolution is driven by our people who are guided by our purpose and core principles of Opportunity, Accountability and Integrity. Our purpose and principles remain pivotal to our culture and effectively guide our staff in balancing risk and reward when making decisions that realise opportunities for the benefit of our clients, our shareholders, our people and the communities in which we operate.

The BRC and the Board assess Macquarie's culture in many ways, including through staff survey results, human capital reporting, strategy presentations, risk culture and incident reporting as well as through personal observation of management and staff behaviours and actions.

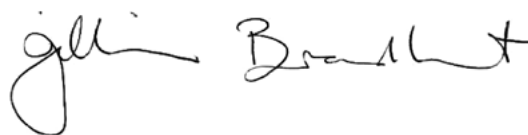
Risk management is a fundamental part of everyone's role at Macquarie. Staff understand that they are rewarded for their performance, including the identification and management of risk, and that there are consequences for non-compliance with Macquarie's behavioural expectations.

In FY2022, there were 82 (FY2021: 97) matters involving conduct or policy breaches that resulted in formal consequences including termination of employment or formal warning and a downward adjustment to profit share. Consistent with prior years, further details regarding these matters are disclosed on page 109.

## Non-Executive Director Fees

During the year the aggregate MGL and MBL Board member base fees were increased from \$A260,000 to \$A275,000, and the combined MGL and MBL Board Chair fee was increased from \$A890,000 to \$A935,000. Board Committee fees were also increased by approximately 5-7%. The fee increases were effective 1 July 2021 and reflect the increasing complexity, time commitment and regulatory focus of both MGL and MBL. Board base fees were last increased in July 2018 and Board Committee fees in October 2015. Refer to page 129 for more details.

I look forward to receiving your views and support at the 2022 Annual General Meeting.



**Jillian Broadbent**

Chair  
Board Remuneration Committee

Sydney  
6 May 2022

## Remuneration framework

This section explains the link between our purpose, our remuneration objectives and principles, and how these are reflected in the remuneration framework.

Macquarie's longstanding and consistent approach to remuneration continues to meet our remuneration objectives and align with our principles. The Board recognises that to achieve these objectives, we must attract, motivate and retain exceptional people with deep industry expertise, align their interests with shareholders to meet the needs of clients and customers and ensure that the spirit and intent of regulatory requirements are upheld. This broad approach has been in place since Macquarie's inception and is reviewed regularly to ensure the framework continues to meet our remuneration objectives and aligns with the expectations of our stakeholders. As a result of this year's review, agreed changes to the remuneration structure are set out on pages 99 to 100.

Our remuneration approach has been a key driver of our sustained success as an international organisation. Staff are motivated to grow businesses over the medium to long-term, taking accountability for all decisions and their accompanying risk management, customer, economic and reputational consequences.

This approach has been fundamental in ensuring we can continue to attract, motivate and retain exceptional, entrepreneurial and ethical people across the global markets in which we operate. We hire world-class people in 33 highly competitive markets. These people come from, and compete in, various industry sectors (including hedge funds, private equity firms, global investment banks, fund managers, advisory boutiques, commodity houses and other banks, as well as industries that are not specific to banking or financial services, for example, technology, accounting, and engineering) across many jurisdictions.

The table below shows the link between our purpose and our remuneration objectives and principles.

Our purpose:

### Empowering people to innovate and invest for a better future



Opportunity



Accountability



Integrity



Remuneration objectives

Macquarie's remuneration framework aims to:

- deliver strong company performance over the short and long-term whilst prudently managing risk
- attract, motivate and retain exceptional people with deep industry expertise
- align the interests of staff and shareholders to deliver sustained results for our customers, clients and community
- promote innovation and the building of sustainable businesses
- drive behaviours that reflect our culture and the principles of *What We Stand For*
- foster a diverse and inclusive work environment.



Remuneration principles

These objectives are achieved by:






- emphasising performance-based remuneration
- determining an individual's variable remuneration based on a range of financial and non-financial factors
- retaining a significant proportion of performance-based remuneration to enable risk outcomes to be considered over a long period
- delivering retained profit share in equity to ensure the interests of staff and shareholders are aligned over the long-term
- remunerating high-performing staff appropriately, relative to global peers
- providing consistent arrangements over time to give staff the confidence to pursue multi-year initiatives.

# Remuneration Report

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## Remuneration framework continued

The remuneration framework works as an integrated whole. As summarised below, an individual's remuneration comprises fixed remuneration, profit share and, for Executive Committee members (our Executive KMP), Performance Share Units (PSUs).

Remuneration framework		
<b>Fixed Remuneration</b>		
<ul style="list-style-type: none"> <li>primarily comprises base salary, as well as superannuation contributions and standard country-specific benefits in line with local market practice</li> <li>for Executive KMP, is set at a comparatively low level, relative to the industry, and a low proportion of total remuneration but sufficient to avoid inappropriate risk-taking</li> <li>is reviewed annually and reflects technical and functional expertise, role scope, market practice and regulatory requirements</li> <li>for risk and financial control staff, is generally a higher proportion of total remuneration than for front office staff.</li> </ul>		
<b>Performance-based Remuneration</b>		
Criteria	Profit Share	Performance Share Units
 <b>Eligibility</b>	<ul style="list-style-type: none"> <li>all permanent employees</li> </ul>	<ul style="list-style-type: none"> <li>Executive Committee members</li> </ul>
 <b>Determination</b>	<ul style="list-style-type: none"> <li>allocations reflect an individual's performance, which is assessed against a range of financial and non-financial factors including: <ul style="list-style-type: none"> <li>contribution to financial results</li> <li>approach to risk management and compliance</li> <li>business leadership including outcomes for customers and the community</li> <li>people leadership and professional conduct including the role-modelling of Macquarie's culture, our purpose and our long-standing principles of <i>What We Stand For</i></li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>individual allocations reflect their role as members of the Executive Committee and their contribution to driving the collective performance of Macquarie</li> <li>allocations are based on the face value of shares on the grant date</li> <li>allocations are subject to Board discretion</li> </ul>
 <b>Structure</b>	<ul style="list-style-type: none"> <li>significant proportion is retained (80% for the CEO and 60% for other Executive KMP)</li> <li>long deferral periods (up to seven years for the CEO and other Executive KMP)</li> <li>retained profit share is delivered in a combination of Macquarie equity and Macquarie-managed fund equity</li> </ul>	<ul style="list-style-type: none"> <li>PSUs vest after four years, subject to the achievement of two financial performance hurdles (no retesting of hurdles)</li> <li>PSUs are structured as Deferred Share Units (DSUs)<sup>(1)</sup> with no exercise price</li> <li>no right to dividend equivalent payments</li> </ul>
 <b>Malus</b>	<ul style="list-style-type: none"> <li>applies for senior employees, including all Executive Directors</li> </ul>	<ul style="list-style-type: none"> <li>applies to all awards</li> </ul>
 <b>Forfeiture</b>	<ul style="list-style-type: none"> <li>retained profit share is subject to forfeiture upon leaving Macquarie except in certain circumstances</li> </ul>	<ul style="list-style-type: none"> <li>unvested PSUs are subject to forfeiture upon leaving Macquarie except in certain circumstances</li> </ul>

(1) A DSU is a Deferred Share Unit and is an award type under the Macquarie Group Employee Retained Equity Plan (MEREP). For further details, refer to Note 32 to the financial statements in the Financial Report.



## Remuneration framework continued

The Board annually reviews and fine-tunes the remuneration framework to ensure it is consistent with changing market conditions and complies with regulatory expectations and corporate governance developments. During the year, to address both regulatory requirements under APRA's new Prudential Standard CPS 511 *Remuneration* (CPS 511) and the evolving expectations of our stakeholders, the Board undertook a holistic review of all structural components of the remuneration framework to ensure that they are delivering on a broad range of objectives. As part of this review, the BRC considered diverse perspectives, including those of shareholders and regulators, as well as global peer group benchmarking and increased global competition for talent in many of Macquarie's areas of activity.

The following changes to the remuneration framework have been approved by the Board and are being implemented in a phased approach from FY2022. The Board believes that the revised arrangements are consistent with our longstanding remuneration principles and allow for ongoing attraction, motivation, retention and accountability of talent, respecting and recognising the expectations of all stakeholders.

Component	Remuneration arrangements	Rationale/link to remuneration principles
Fixed Remuneration	Fixed remuneration will be increased for the CEO and other Executive KMP from 1 April 2023. This is the first fixed remuneration increase for Executive KMP since 2010, noting that the MBL CEO and the Chief Risk Officer (CRO) are receiving a fixed remuneration increase from 1 April 2022 to recognise their appointments to these roles on 1 July 2021 and 1 January 2022 respectively. Fixed remuneration will remain set at a comparatively low level, relative to the industry, and at a low proportion of total remuneration but sufficient to avoid inappropriate risk-taking.	Preserves the underlying remuneration principles of paying for performance and having comparatively low fixed remuneration levels relative to the industry. Addresses external market pressures.
Profit Share	<b>Retention and vesting arrangements:</b> For profit share allocations made in respect of FY2024 onwards, retention rates and vesting periods will be reduced for certain senior employees but remain long enough to appropriately consider the time horizons of risk. Retention rates and vesting periods will meet or exceed both the minimums required under CPS 511 and the deferral arrangements of many of Macquarie’s global comparators.	Emphasises performance-based remuneration and continues to enable risk outcomes to be considered over a prolonged period. The changes ensure that regulatory requirements are upheld and that prevailing market conditions are taken into consideration.
Note, Macquarie’s stated vesting periods do not include the performance year, whereas vesting periods under CPS 511 are defined as including the period over which performance is assessed (i.e. in the above table, for senior employees the current vesting period is defined by Macquarie as years 3 to 7, whereas under the CPS 511 definition this would translate to a vesting period of years 4 to 8).		

(2) Executive Directors who have a significant management or risk responsibility in the organisation (equivalent to "Material Risk Takers" under CPS 511).

# Remuneration Report

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Component	Remuneration arrangements	Rationale/link to remuneration principles												
	<p><b>Vesting and release of retained profit share upon termination:</b></p> <p>Where the Board exercises its discretion to accelerate the vesting of retained profit share for Executive Directors (in cases of retirement from Macquarie or redundancy), that release currently occurs over the period from six months to two years after termination.</p> <p>For profit share allocations made in respect of FY2023 onwards, the six-month release date post-termination will be removed. Amounts that would have vested after six months (i.e. retained profit share which does not relate to the final two years of employment) will now be released after 12 months and amounts that would have vested after 12 months will now be released after 24 months.</p> <p>For profit share allocations made in respect of FY2024 onwards, unvested retained profit share will no longer be released over a two-year period for certain employees and will instead be kept on its original vesting schedule, as set out in the following table:</p> <table><tr><th>Role</th><th>Current</th><th>FY2023</th><th>FY2024</th></tr><tr><td>Executive KMP, Designated Executive Directors</td><td>6 to 24 months</td><td>12 to 24 months</td><td>0 to 60 months</td></tr><tr><td>Other Executive Directors</td><td></td><td></td><td>12 to 24 months</td></tr></table>	Role	Current	FY2023	FY2024	Executive KMP, Designated Executive Directors	6 to 24 months	12 to 24 months	0 to 60 months	Other Executive Directors			12 to 24 months	
Role	Current	FY2023	FY2024											
Executive KMP, Designated Executive Directors	6 to 24 months	12 to 24 months	0 to 60 months											
Other Executive Directors			12 to 24 months											
PSUs	From FY2024, the vesting period for PSUs granted will be extended by a year, to five years for the CEO and the MBL CEO (currently, PSUs vest after four years).	Reflects regulatory expectations and increases the alignment of the interests of staff and shareholders over the long-term.												
Malus	<p>From FY2022, the population subject to malus has been expanded to include all Executive Directors. The events that may trigger the application of malus provisions have also been expanded (see page 108), to align to CPS 511 and the expectations of other global regulators.</p> <p>From FY2024, Macquarie's malus provisions will be further expanded to include all employees with deferred performance-based remuneration and clawback provisions will be introduced for certain senior employees to align with CPS 511.</p>	Strengthens the alignment between remuneration and prudent risk management and aligns Macquarie's malus framework to APRA's expectations as set out in CPS 511.												

## Profit share

This section describes the way in which profit share is determined, structured and delivered.

### Annual process to determine profit share outcomes

Remuneration outcomes are based on realised outcomes and are determined through a principles-based approach, taking into consideration individual, business group and company-wide performance. Outcomes may be adjusted downwards at any level as a result of any risk management, compliance and conduct issues that have been identified during the year.

### Individual profit share allocations

Individual profit share allocations reflect an employee's performance against their objectives, which are formally assessed annually. Permanent employees are required to have at least one formal Year in Review with their manager each year. The Year in Review comprises two core components:

- **what** was achieved over the past 12 months, including any Operating Group or Central Services Group/Division specific goals and objectives
- **how** cultural/behavioural expectations were demonstrated, including the principles of Macquarie's *Code of Conduct* and the cultural standards of the business group.

An individual's performance is assessed against a range of financial and non-financial factors, which fall under the following four areas of focus and link to the "what" and "how" components of the Year in Review:

	Areas considered
<b>Financial/ business results</b>	<ul style="list-style-type: none"> <li>• for front office staff, based on business profits and individual contribution to profits</li> <li>• for risk and financial control roles, primarily based on contribution to high quality control functions</li> <li>• for other support staff, based on their contribution to delivering high quality services to support the businesses, while managing costs and investing in people and technology to ensure the ongoing robustness of the risk management framework</li> </ul>
<b>Risk management and compliance</b>	<ul style="list-style-type: none"> <li>• the active management and consideration of a wide range of financial and non-financial risks</li> <li>• motivating a culture of disciplined risk management, and regulatory, policy and business compliance</li> <li>• performance against a risk management objective, which is mandatory for all employees and consistent across Macquarie</li> </ul>
<b>Business leadership</b>	<ul style="list-style-type: none"> <li>• business growth and innovation</li> <li>• delivering solutions for our customers and the communities in which we operate</li> <li>• relationship with external stakeholders, including regulators</li> </ul>
<b>People leadership and professional conduct</b>	<ul style="list-style-type: none"> <li>• conduct and behaviour consistent with the <i>Code of Conduct</i> and <i>What We Stand For</i></li> <li>• fostering a diverse and inclusive work environment</li> <li>• talent development</li> <li>• to drive Macquarie's cultural expectations, all employees are assessed against a mandatory objective on Diversity, Equity and Inclusion (DEI) and all people managers against a people management objective aligned to our purpose and culture</li> </ul>

Three of these four factors are non-financial, with considerations given in varying proportions depending on the nature of the role. Individual profit share allocations also consider relativities in the market in which each business competes for talent. Significant judgement is applied in determining remuneration outcomes to ensure all factors that may potentially impact the quantum of profit share allocations are considered.

When determining individual allocations, consideration is given to any matters raised in the independent reports provided to the BRC by the CRO and the Head of Internal Audit, or matters raised through the consequence management process, which may result in downward adjustments to profit share allocations for relevant individuals (see page 109).



# Remuneration Report

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## Profit share pools

The initial business group profit share pools are determined through a combination of a top-down and bottom-up approach. The company-wide profit share pool is an aggregate of the assessments conducted at both the business and individual level. The initial profit share pools are then adjusted up or down to reflect a consideration of the factors below:

Operating/Central Service Group Level			
<b>Financial performance</b> For Operating Groups: <ul style="list-style-type: none"> <li>• contribution to company-wide profits</li> <li>• returns on Economic and Regulatory Capital</li> <li>• funding requirements and usage.</li> </ul> For Central Services Groups, based on the quality and integrity of control functions and support services, and not primarily determined with reference to profitability.	<b>Risk management</b> <ul style="list-style-type: none"> <li>• risk profile of the business (e.g. capital usage)</li> <li>• extent and nature of financial and non-financial risks including any significant reputational, cultural or compliance matters</li> <li>• regulatory environment and regulatory risk considerations.</li> </ul>	<b>Business specific considerations</b> <ul style="list-style-type: none"> <li>• innovation, new business development (including acquisitions) and maturity of the business</li> <li>• reliance on intellectual versus financial capital</li> <li>• customer/client and community outcomes</li> <li>• impact of one-time gains/losses.</li> </ul>	<b>Market position and trends</b> <ul style="list-style-type: none"> <li>• overall remuneration levels in the market in which each business operates</li> <li>• staff retention considerations.</li> </ul>
Macquarie Group/Macquarie Bank level			
Additional considerations at a Macquarie Group and Macquarie Bank level include: <ul style="list-style-type: none"> <li>• Group profitability, including the balance of profit distribution between employees and shareholders</li> <li>• Group capital metrics (including prudential ratios) and liquidity considerations</li> <li>• impact of the profit share pool on Macquarie's capital position and ability to strengthen its capital base (as confirmed by the Chief Financial Officer (CFO))</li> <li>• reasonableness of the resultant estimated compensation expense to income ratio and how it compares to that of peers</li> <li>• regulatory considerations, including any company-wide risk and conduct matters</li> <li>• factors that impact the macro environment in which Macquarie operates, including those that may affect our ability to attract and retain high performing staff</li> <li>• CRO confirmation as to whether there have been any matters of systemic concern during the year.</li> </ul>			

The Board retains discretion to amend the profit share pool as determined in accordance with the above process to ensure all relevant factors, including risk and conduct matters, have been appropriately taken into consideration.

## Retained profit share: retention and vesting

A percentage of each individual's annual profit share allocation is retained (retained profit share) above certain thresholds. This is invested in a combination of Macquarie ordinary shares under the Macquarie Group Employee Retained Equity Plan (MEREP) and Macquarie-managed fund equity notionally invested under the Directors' Profit Share (DPS) Plan.<sup>(3)</sup> While they are employed, an individual's retained profit share vests and is released over a period that reflects the scope and nature of their role and responsibilities.<sup>(4)</sup> These arrangements ensure that Macquarie continues to retain high-performing staff, provide significant long-term alignment to shareholders and customers, as well as enabling risk outcomes to be considered over long periods.

Retention and vesting arrangements are determined by the BRC according to prevailing market conditions, remuneration trends, and compliance with regulatory requirements (including under the Banking Executive Accountability Regime (BEAR)). For each year's allocation, once the vesting period has been determined it remains fixed for that allocation.

The table below summarises the standard retention and vesting arrangements applicable for FY2022. These vesting periods do not include the performance year but begin following the date remuneration is awarded.

### FY2022 standard profit share retention and vesting arrangements

Role	Profit share retention (%)	Vesting and release of profit share <sup>(5)</sup>
CEO	80	One-fifth in each of years 3-7
MBL CEO	60	
Executive Committee members	60	
Designated Executive Directors	50	One-third in each of years 3-5
Executive Directors	40	
Staff other than Executive Directors <sup>(6)</sup>	25-60	

The Board's discretion to change remuneration arrangements, as noted above, includes changes to profit share retention levels provided that the retention percentage is at least 30% for all Executive Directors.

## Investment of retained profit share

An individual's retained profit share is invested in a combination of Macquarie ordinary shares under the MEREP and Macquarie-managed fund equity notionally invested under the DPS Plan. The allocation reflects the nature of their role as set out in the following table:

### FY2022 standard investment of retained profit share

Role	Retained profit share investment	
	MEREP (MGL ordinary shares) %	DPS Plan (Macquarie-managed fund equity) %
CEOs of MGL and MBL	90	10
Executive Committee members	80-90	10-20
Executive Committee members with Funds responsibilities	50	50
Executive Directors <sup>(7)</sup>	80-100	0-20
Executive Directors with Funds responsibilities	25	75
Staff other than Executive Directors <sup>(8)</sup>	100	0

(3) Both the MEREP and DPS Plan are fundamental tools in Macquarie's retention, alignment and risk management strategies, encompassing both long-term retention arrangements and equity holding requirements. The MEREP has a flexible plan structure that offers different types of equity grants depending on the jurisdiction in which the participating employees are based. In most cases, the equity grants are in the form of units comprising a beneficial interest in Macquarie ordinary shares held in a trust for the staff member (Restricted Share Units or RSUs). For further details on the MEREP, refer to Note 32 *Employee equity participation* to the financial statements in the Financial Report. The DPS Plan comprises exposure to a notional portfolio of Macquarie-managed funds. Retained amounts are notionally invested over the retention period. This investment is described as 'notional' because Executive Directors do not directly hold securities in relation to this investment.

(4) Profit share that is not retained ("available profit share") is delivered in cash except for certain staff subject to requirements under European remuneration regulations, where 50% of available profit share is delivered in Macquarie equity and is subject to a 12-month hold period.

(5) For certain staff subject to European remuneration regulations, retained profit share invested in Macquarie equity is subject to a further 6 or 12-month hold post the vesting period.

(6) Above certain monetary thresholds.

(7) For certain Executive Directors subject to European remuneration regulations, retained profit share is invested 60% in Macquarie equity and 40% in the DPS Plan.

(8) For staff other than Executive Directors, retained profit share is generally 100% invested in Macquarie equity with the exception of those staff with funds responsibilities where retained profit share is invested in a combination of Macquarie equity and Macquarie-managed fund equity.

# Remuneration Report

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In addition to the arrangements set out in the tables above, different arrangements may apply in certain circumstances:

- retention rates and vesting and release schedules may vary for certain groups of staff who have become employees as a result of an acquisition, or for staff in certain jurisdictions, for example in the UK or European Union (EU), to ensure compliance with local regulatory requirements
- in limited circumstances, retained profit share may be allocated under arrangements other than the DPS Plan or the MEREP. For example, this may include investment in funds or products of a specific business group where there is a need to directly align the interests of staff with those of their clients.

## Forfeiture of retained profit share – malus and clawback

The Board or its delegate has the ability to reduce or eliminate unvested retained profit share for certain senior employees (including all Executive Directors) in certain circumstances (malus), as set out on page 108. For certain employees identified in the UK or EU, the Board also has the ability to recover (in whole or in part) vested profit share (clawback).

## Early vesting and release of retained profit share

The standard policy is that staff who cease employment with Macquarie will forfeit their unvested retained profit share. The Board may exercise discretion to accelerate the vesting of a departing employee's retained profit share and reduce the retention period including where, for example, their employment ends in the case of retirement from Macquarie, redundancy, death, serious incapacitation, disability, or serious ill-health. The Board's discretion to accelerate the vesting of retained profit share under these circumstances is subject to the conditions of early release as set out below for Executive Directors.

Discretion may be exercised in certain other limited exceptional circumstances on the grounds of business efficacy, in relation to strategic business objectives, including in connection with the divestment or internalisation of Macquarie businesses, or when an employee resigns to fulfil a public service role in a governmental organisation or agency. Where such discretion is exercised, the Board may impose such other conditions as it considers appropriate. This year, such discretion has been exercised and retained profit share was approved to be released for two executives due to the transfer of their employment to operationally segregated subsidiaries.

## Conditions of early release to departing Executive Directors – Post Employment Events

Where discretion has been exercised to accelerate the vesting of retained profit share, the Board may reduce or eliminate their retained profit share if it is determined that the Executive Director has, at any time during their employment or the relevant release periods after their employment, committed a Malus Event (as set out on page 108) or:

- taken staff to a competitor of Macquarie or been instrumental in causing staff to go to a competitor, or
- joined a competitor of Macquarie or otherwise participated in a business that competes with Macquarie.

Each of the above is a Post Employment Event.

In the case of death or serious incapacitation, the Board will typically accelerate the vesting of retained profit share and immediately release it. In other circumstances, the release will occur over the period from six months to two years after the Executive Director leaves, in accordance with the following table:

	First Period	Second Period	Third Period
<b>Time post-departure</b>	Six months	Six months to one year	One year to two years
<b>Unvested retained profit share released</b>	From all but the last two years of employment	From the second year prior to the end of employment	From the year prior to the end of employment
<b>Subject to</b>	No Malus Event or Post Employment Event as set out previously	No Malus Event or Post Employment Event during the First Period, and No Malus Event or Post Employment Event (a) above during Second Period	No Malus Event or Post Employment Event during the First Period, and No Malus Event or Post Employment Event (a) during the Second Period, and No Malus Event during the Third Period
<b>Where the release is by reason of retirement from Macquarie</b>	As above	As above and in addition, the release is subject to no Post Employment Event (b) during the Second Period	As above and in addition, the release is subject to no Post Employment Event (b) during the Second or Third Period

In addition to the above, for Accountable Persons, the exercise of discretion for any early release of retained profit share will be subject to Macquarie meeting the minimum deferral periods required under the BEAR.

Where an Executive Director has a tax liability on termination of employment in respect of any unvested retained profit share, the Board has discretion to release unvested retained profit share up to an amount equal to the Executive Director's tax liability at an earlier time than noted above.

## Performance Share Units

This section describes the way in which PSUs are determined, structured and delivered.

### Allocation and structure

Executive Committee members are the only group of staff eligible to receive PSUs, which are subject to the achievement of two financial performance hurdles and determined with reference to Macquarie's performance as a whole. As such, they provide an additional incentive to Executive Committee members to drive company-wide performance over the long-term and beyond their business group responsibilities. PSU awards are a meaningful incentive but are generally not the major element of an Executive Committee member's total remuneration.

Individual allocations are based on their role as members of the Executive Committee and their contribution to driving the collective performance of Macquarie, including their collaboration across businesses.

PSUs are granted in August each year, after Macquarie's Annual General Meeting (AGM), in respect of the previous financial year. The number of PSUs to be allocated is calculated by dividing the face value of the award by the price of Macquarie ordinary shares on or around the date of grant.

Since their introduction, PSUs have been structured as DSUs with performance hurdles. Holders have no right to dividend equivalent payments. There is no exercise price for PSUs.

### Performance hurdles

The following table summarises the key terms of PSUs and the performance hurdles for FY2022:

	EPS CAGR hurdle	ROE hurdle
<b>Application</b>	50% of PSU award	50% of PSU award
<b>Performance measure</b>	Compound annual growth rate (CAGR) in EPS over the vesting period (four years) <sup>(9)</sup>	Average annual ROE over the vesting period (four years) <sup>(9)</sup> relative to a reference group of global financial institutions. <sup>(10)</sup>  The reference group for awards is Bank of America Corporation, Barclays PLC, Credit Suisse Group AG, Deutsche Bank AG, Goldman Sachs Group Inc., JP Morgan Chase & Co., Laazard Ltd, Morgan Stanley and UBS AG.
<b>Hurdle</b>	Sliding scale applies: <ul style="list-style-type: none"> <li>50% becoming exercisable at EPS CAGR of 7.5%</li> <li>100% at EPS CAGR of 12%</li> </ul> For example, if EPS CAGR was 9.75%, 75% of the relevant awards would become exercisable	Sliding scale applies: <ul style="list-style-type: none"> <li>50% becoming exercisable above the 50th percentile</li> <li>100% at the 75th percentile</li> </ul> For example, if ROE achievement was at the 60th percentile, 70% of the relevant awards would become exercisable
<b>Forfeiture</b>	<ul style="list-style-type: none"> <li>malus provisions apply</li> <li>the standard policy is that unvested PSUs will be forfeited upon termination</li> <li>in the case of retirement from Macquarie, redundancy, death, serious incapacitation, disability, serious ill-health or other limited exceptional circumstances, the Board or the BRC has the authority to either accelerate the vesting of PSUs or to permit the PSUs to continue to vest in accordance with the original award schedule and remain subject to the same performance hurdles</li> <li>should a change of control occur<sup>(11)</sup> the Board or the BRC has discretion to determine how unvested PSUs should be treated, having regard to factors such as the length of time elapsed in the performance period, the level of performance to date and the circumstances of the change in control.</li> </ul>	

(9) PSUs awarded prior to FY2020 vested in two equal tranches after three and four years.

(10) Comparator company information is presented in the same order throughout the Remuneration Report.

(11) Under the MEREP Plan Rules, a change in control occurs where a person acquires or ceases to hold a relevant interest in more than 30% of Macquarie ordinary shares or where the Board resolves that a person is in a position to remove one-half or more of the Non-Executive Directors.

# Remuneration Report

Continued

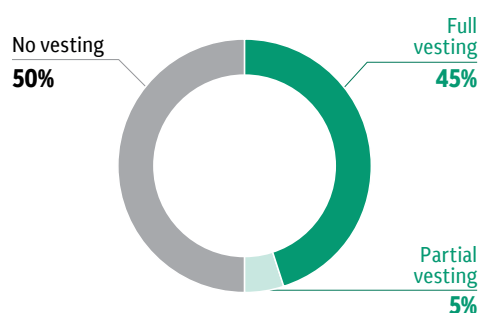
## Rationale for hurdles

The PSU hurdles are annually reviewed by the BRC to ensure they continue to align the interests of staff and shareholders and provide a challenging but meaningful incentive to Executive Committee members. The BRC's review includes consideration of the most relevant performance metrics to be used as hurdles as well as the levels at which the hurdles are achieved. The international reference group used for the ROE hurdle is also reviewed to determine whether our comparators remain suitable for Macquarie's diversified business interests and global footprint. The BRC also considers historical and forecast market data, the views of corporate governance bodies, shareholders and regulators, as well as market practice. In the FY2022 annual review, both the relative ROE and absolute EPS hurdles were considered to still be appropriate for the following reasons:

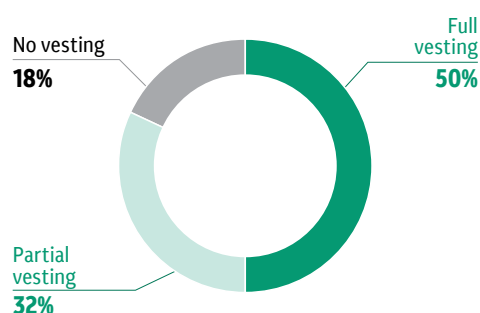
- ROE and EPS growth drive long-term shareholder value and are appropriate as the Executive Committee can affect outcomes on both measures. In contrast, Total Shareholder Return (TSR) is influenced by many external factors over which executives have limited control
- the approach is consistent with that advocated by APRA in not using TSR as a measure
- ROE and EPS can be substantiated using information that is disclosed in Macquarie's annual reports
- a sliding scale diversifies the risk of not achieving the hurdles and provides rewards proportionate to performance for shareholders and is preferable to an all-or-nothing test, which some have argued could promote excessive risk-taking
- the hurdles are designed to reward sustained strong performance and are relatively well-insulated from short-term fluctuations. The time frame used for PSUs should also be considered in light of the three to seven-year deferral of profit share for members of the Executive Committee
- the EPS targets are confirmed as rigorous when market performance is considered, with the EPS threshold hurdle exceeding the performance of most of the ASX 20, global reference group and relevant indices over time
- for the EPS element to fully vest, Macquarie needs to achieve at least 12% CAGR over the vesting period. Supporting the rigour of the hurdle, cumulative EPS growth of 57% over four years is required to achieve full vesting
- the ROE vesting thresholds and sliding scale are in line with the domestic market and are particularly challenging when compared to international practice.

The charts below display Macquarie's historical EPS and ROE PSU outcomes, highlighting that since their introduction in 2009, 55% of the EPS tranches and 50% of the ROE tranches have resulted in either no vesting or partial vesting.

### Historical EPS tranche outcomes



### Historical ROE tranche outcomes



## Use of an international reference group

An international reference group recognises the extent of Macquarie's diversification and internationalisation. As at 31 March 2022, total international income represented approximately 75% of Macquarie's total income, with approximately 54% of Macquarie's staff located outside Australia. The BRC considers an international reference group to be appropriate on the basis that:

- the international reference group is currently most representative of Macquarie's business operations and talent pool. These firms broadly operate in the same markets and in similar business segments, and compete for the same people as Macquarie
- Macquarie has no comparable Australian-listed peers.

In addition, the BRC considers it important to not intervene reactively to remove under-performers or over-performers in any given period. An organisation's period of under-performance is generally followed by a period of over-performance.

## Culture, accountability and remuneration

This section describes how risk and conduct are considered throughout Macquarie's remuneration approach.

### Risk culture

Our purpose of 'empowering people to innovate and invest for a better future' and *What We Stand For* principles of Opportunity, Accountability and Integrity remain pivotal to our culture. Our purpose and principles effectively guide our staff in balancing risk and reward and making decisions that realise opportunity for the benefit of our clients, shareholders, partners and the communities in which we operate. Staff are continually made aware that these principles must form the basis of all behaviours and actions. These behavioural expectations are outlined in the Board approved *Code of Conduct*, which is actively promoted by management and cascaded through the organisation through multiple mechanisms. Macquarie invests significant time and effort in communicating and reinforcing Macquarie's culture through communications from senior management, policy reminders, training, and learning and development activities. The Board is able to assess Macquarie's culture in a number of ways including through staff survey results, human capital reporting, strategy presentations, risk culture reports, consequence management reports as well as through personal observation of management, and staff behaviour and actions.

Strong risk management is a fundamental part of everyone's role at Macquarie. Staff understand they are rewarded not just for their contribution to financial results, but also for how those results are achieved. This includes an assessment of an individual's approach to managing risk, and their alignment to the *What We Stand For* principles. They understand there are potential consequences for non-compliance with the risk management framework and Macquarie's behavioural expectations. Staff training and communications emphasise the link between risk, conduct, policy breaches and consequence management outcomes, including, where appropriate, adjustments to performance-based remuneration.

### Alignment of remuneration with risk outcomes

The Board considers that the effective alignment of remuneration with prudent risk-taking is fundamental to its remuneration approach. The consideration of risk is embedded throughout the entire remuneration process including through the determination of individual profit share allocations, business and company-wide profit share pools as well as through the way in which remuneration is structured and delivered.

The Board is aware of the increasing focus of regulators and shareholders on ensuring risk-related matters that come to light subsequent to remuneration being awarded are appropriately factored into remuneration decisions. Macquarie's retention and vesting arrangements provide a mechanism for the Board to consider risk outcomes over a long period. Furthermore, where an investigation has commenced into a risk or conduct-related matter that may result in forfeiture or, for senior employees, the application of malus, Macquarie may further defer the payment, vesting and/or release of profit share to allow for the investigation to be completed.



# Remuneration Report

Continued

## Culture, accountability and remuneration continued

As set out on page 100, the BRC reviewed the malus framework for FY2022 and expanded its scope to apply to a wider group of employees (including all Executive Directors). The events that may trigger the application of the malus provisions were also expanded and aligned to CPS 511.

The following mechanisms exist to risk adjust remuneration outcomes:

In-year profit share adjustments	Applies to all staff
<ul style="list-style-type: none"><li>• determined as part of assessing an individual's performance each year</li><li>• the annual assessment includes consideration of compliance with the risk management framework and with the behavioural expectations outlined in the <i>Code of Conduct</i></li><li>• in addition, any outcomes from the consequence management process (such as formal warning) or the independent reporting from the CRO, Head of Internal Audit, and General Counsel are also considered.</li></ul>	
Forfeiture	Applies to all staff with retained profit share
<ul style="list-style-type: none"><li>• where an individual's employment is terminated due to a compliance or conduct concern (or they resign), unvested remuneration is forfeited, as per our standard policy.</li></ul>	
Malus Events (expanded for FY2022)	Applies to senior employees
<p>The malus provisions provide the Board or its delegate with the ability to reduce or eliminate in full the retained profit share for senior employees, and for Executive Committee members unvested PSUs, where it is determined:</p> <ul style="list-style-type: none"><li>• there was a significant error in or a significant misstatement of criteria on which the remuneration determination was based; or</li><li>• the employee has at any time:<ul style="list-style-type: none"><li>– engaged in misconduct leading to significant adverse outcomes</li><li>– acted dishonestly (including, but not limited to, misappropriating funds or deliberately concealing a transaction)</li><li>– significantly failed in or breached their compliance, accountability or fitness and propriety requirements or</li><li>– acted or failed to act in a way that contributed to, and/or by virtue of their role or seniority is accountable for:<ul style="list-style-type: none"><li>– a breach of a significant legal or significant regulatory requirement relevant to Macquarie</li><li>– MGL or MBL making a material financial restatement or</li><li>– MGL, MBL or any Group within Macquarie<sup>(12)</sup> incurring significant reputational harm</li><li>– MGL, MBL or any Group within Macquarie incurring a significant unexpected financial loss, impairment charge, cost or provision</li><li>– a significant failure of financial or non-financial risk management or</li><li>– a significant adverse outcome for customers, beneficiaries or other stakeholders.</li></ul></li></ul></li></ul>	

Additional provisions may apply to staff in certain jurisdictions to ensure compliance with local regulations. This includes staff in the UK and EU who are subject to additional malus and clawback provisions under local regulatory requirements.

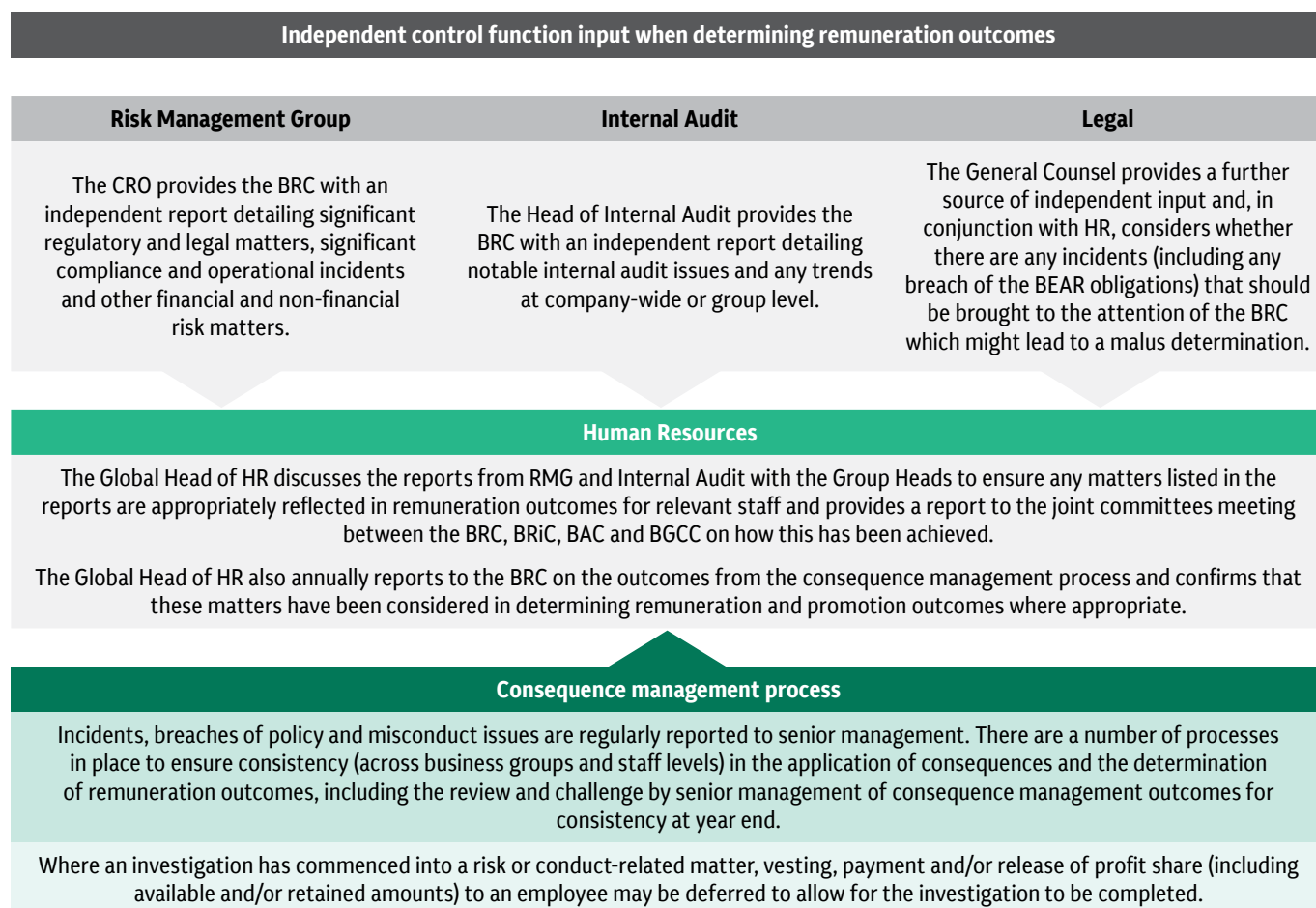
The BRC considers whether, and the extent to which, to apply malus, taking into account local employment laws, the nature and circumstances of the event and any other redress that has been or may be applied.

(12) A "Group within Macquarie" is a reference to any Operating Group or Central Services Group within MGL or MBL.

## Risk adjustment processes

There are robust processes in place to ensure that all risk, reputation, and conduct-related matters are specifically considered when determining remuneration outcomes. These processes may result in a downward adjustment to group and/or individual profit share allocations where appropriate. A wide range of risks that could have a financial or non-financial impact on Macquarie are considered, including if there has been a detriment to customers or any impact on prudential standing.

The diagram below provides an overview of these processes:



## Consequence management outcomes

Macquarie's Consequence Management Guideline applies wherever a breach of internal policy or regulatory requirement is identified. Consequences may include further training, removal of delegated authorities or permissions, adjustments to performance-based remuneration, impact on promotion, formal warnings or termination.

Where an employee has received a formal warning, their performance-based remuneration is subject to further review and in some cases, it will be reduced to zero. Promotion decisions may also be impacted. Impacts may also be applied where a formal warning has not been issued. In each case, judgement is exercised as to the appropriate consequence(s) based on all the relevant circumstances.

In FY2022, there were 82 (FY2021: 97) matters involving conduct or policy breaches that resulted in formal consequences. These included 38 (FY2021: 45) *Code of Conduct* or appropriate workplace behaviour related matters and 44 (FY2021: 52) other policy matters including risk management and technology breaches. Of the 82:

- for 29 matters, termination of employment was the outcome (FY2021: 16)
- for 53 matters, a formal warning was issued (FY2021: 81). Additional consequences were applied as appropriate including additional training, removal of delegated authorities or permissions, adjustments to profit share and/or impact to promotion (12 have resulted in individuals subsequently leaving Macquarie before year-end outcomes were determined and 40 individuals had their profit share reduced by an average of 44%).

The 82 matters were considered isolated incidents and there was no evidence of broader systemic conduct issues.

# Remuneration Report

Continued

## Further details on the remuneration framework

This section describes other key features of Macquarie's remuneration framework and of the employment contracts for Executive Committee members.

### Other features of Macquarie's remuneration framework

<b>Role-based allowances</b>	<ul style="list-style-type: none"><li>Role-based allowances are a component of fixed remuneration that may be awarded to certain employees, including those identified as Material Risk Takers (MRTs) under UK or EU regulatory requirements. These allowances are determined based on the role and organisational responsibility of the individuals.</li></ul>
<b>Minimum shareholding requirement</b>	<ul style="list-style-type: none"><li>Executive Directors are required to hold a relevant interest in Macquarie ordinary shares that have a value equal to 5% of an Executive Director's aggregate profit share allocations for each of the past five years (10 years for Executive Committee members), which can be satisfied by the requirements of the profit share retention policy.</li><li>For Executive Committee members who were eligible for profit share allocations prior to the current year, compliance with this policy equates to a minimum shareholding requirement of between 110% to 970% of fixed remuneration based on share values unadjusted for market price changes.</li></ul>
<b>Promotion and New Hire Awards</b>	<ul style="list-style-type: none"><li>Staff who are promoted to or hired at Associate Director, Division Director or Executive Director level receive an allocation of MEREP awards set with reference to an Australian dollar value. Currently these awards range from \$A25,000 to \$A175,000 depending on the Director level.</li></ul>
<b>Performance fees</b>	<ul style="list-style-type: none"><li>A small number of individuals with funds responsibilities may receive a portion of their performance-based remuneration as a share of performance fees paid by Macquarie-managed funds.</li><li>The profit share pool is adjusted downwards to reflect these deferred remuneration arrangements, which are also taken into account in determining the individual's profit share allocation.</li><li>Consistent with market practice, these individuals are allocated an entitlement to a share of performance fees paid by a particular fund. This allocation is based on performance, seniority and the extent of the individual's involvement with the particular fund.</li><li>An individual will not receive their entitlement until Macquarie has received performance fees towards the end of the fund's life, which is typically upwards of 10 years. The entitlement will be forfeited if their employment ceases before five years from the date of allocation. Entitlements are subject to similar forfeiture conditions as profit share.</li><li>Prior to joining the Executive Committee, Mr Way (who joined the Executive Committee on 1 April 2021) participated in these arrangements for certain funds in his former role. Upon joining the Executive Committee, he maintained his participation in these existing funds, but he has not been allocated any additional entitlements. No other Executive Committee members currently participate in these arrangements.</li></ul>
<b>Hedging</b>	<ul style="list-style-type: none"><li>Macquarie prohibits staff from hedging:<ul style="list-style-type: none"><li>(i) shares held to meet the minimum shareholding requirement and</li><li>(ii) unvested equity held in the MEREP.</li></ul></li></ul>

### Employment contracts

The following table summarises key features of the employment contracts for Executive Committee members including the CEO.

<b>Length of contract</b>	Permanent open-ended.
<b>Remuneration review period</b>	1 April to 31 March annually.
<b>Profit share participation</b>	Executive Committee members are eligible to be considered for a profit share allocation that ensures a large part of their remuneration is 'at risk'. Refer to pages 101 to 104 for details.
<b>PSU participation</b>	Executive Committee members are eligible to receive PSUs. Refer to pages 105 to 106 for details.
<b>Termination of employment</b>	Requires no more than three months' notice by Macquarie or the Executive Committee member (Post-employment restrictions apply).
<b>Post-employment restrictions</b>	Restrictions include non-solicitation provisions applicable for six months, and paid non-competition provisions applicable, at Macquarie's election, for up to three months post-termination.

## Pay for performance

This section details Macquarie's results and demonstrates the link between pay and performance.

### Macquarie's results

Macquarie delivered record financial results for shareholders in FY2022. NPAT has increased by 56% compared to the prior year and EPS has increased by 51%. In addition, returns to shareholders have been strong with an increase in ordinary dividends of 32% compared to the prior year.

Total compensation and total Executive KMP awarded profit share have not increased to the same extent as NPAT and the compensation expense to income ratio decreased to 36.7%, below the prior year's level. CEO awarded profit share has increased by 26%. This increase has been explained in both the Chair letter and the CEO's awarded pay table on page 117.

### Comparison of performance measures and executive remuneration measures: FY2021-2022

	Expressed as	FY2022	FY2021	Increase/(Decrease) %
<b>Performance measures</b>				
NPAT	\$Am	<b>4,706</b>	3,015	56
Basic EPS	Cents per share	<b>1,271.7</b>	842.9	51
Ordinary Dividends	Cents per share	<b>622.0</b>	470.0	32
Return on equity	Percent	<b>18.7</b>	14.3	
<b>Executive remuneration measures</b>				
Total compensation expense	\$Am	<b>6,364</b>	5,190	23
Compensation expense to income ratio	Percent	<b>36.7</b>	40.6	
Average staff headcount <sup>(13)</sup>		<b>17,002</b>	16,385	4
Actual staff headcount <sup>(13)</sup>		<b>18,133</b>	16,459	10
CEO awarded profit share	\$Am	<b>25.00</b>	19.85	26
Total Executive KMP awarded profit share	\$Am	<b>123.82</b>	106.90	16
CEO Statutory Remuneration	\$Am	<b>23.72</b>	15.97	49
Total Executive KMP Statutory Remuneration	\$Am	<b>129.47</b>	122.36	6

### Performance over past 10 years: FY2013-2022

Year ended 31 March	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Income Statement</b>										
NPAT (\$Am)	851	1,265	1,604	2,063	2,217	2,557	2,982	2,731	3,015	<b>4,706</b>
Basic EPS (cents per share)	251.2	383.6	502.3	619.2	657.6	758.2	883.3	791.0	842.9	<b>1,271.7</b>
<b>Shareholder returns</b>										
Return on equity (%)	7.8	11.1	14.0	14.7	15.2	16.8	18.0	14.5	14.3	<b>18.7</b>
Ordinary Dividends (cents per share)	200	260	330	400	470	525	575	430	470	<b>622</b>
Special Dividends (cents per share) <sup>(14)</sup>	-	116	-	-	-	-	-	-	-	-
Share price as at 31 March (\$A)	37.15	57.93	76.67	66.09	90.20	102.90	129.42	85.75	152.83	<b>203.27</b>
Annual TSR (%) to 31 March <sup>(15),(16)</sup>	34.5	67.2	40.0	(9.2)	46.0	21.3	32.8	(29.9)	83.9	<b>38.6</b>
10 year TSR (%) to 31 March <sup>(15),(16)</sup>	170.4	189.6	187.7	83.5	99.0	257.7	723.6	220.7	628.6	<b>1,101.9</b>

(13) Headcount for both FY2022 and FY2021 includes staff employed in operationally segregated subsidiaries (OSS).

(14) The special dividend for the year ended 31 March 2014 represented the special dividend component of the SYD Distribution in January 2014. The total distribution including return on capital was 373 cents per share.

(15) TSR data reflects the reinvestment of gross dividends.

(16) Source: Bloomberg.

# Remuneration Report

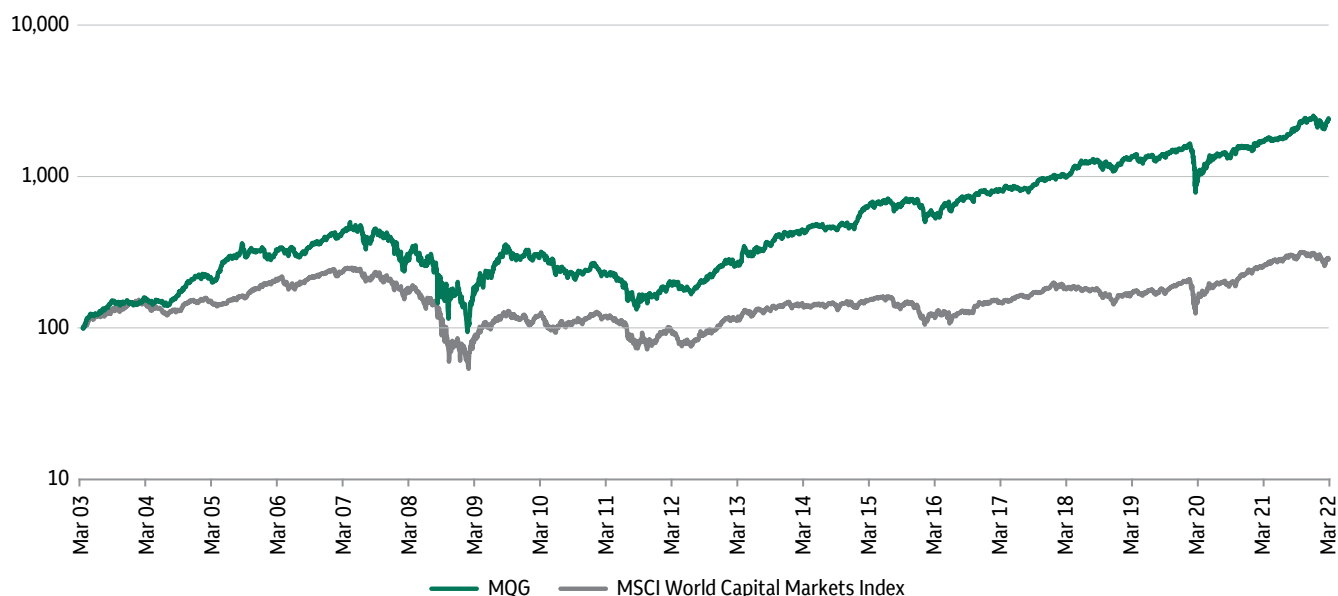
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## Total shareholder return

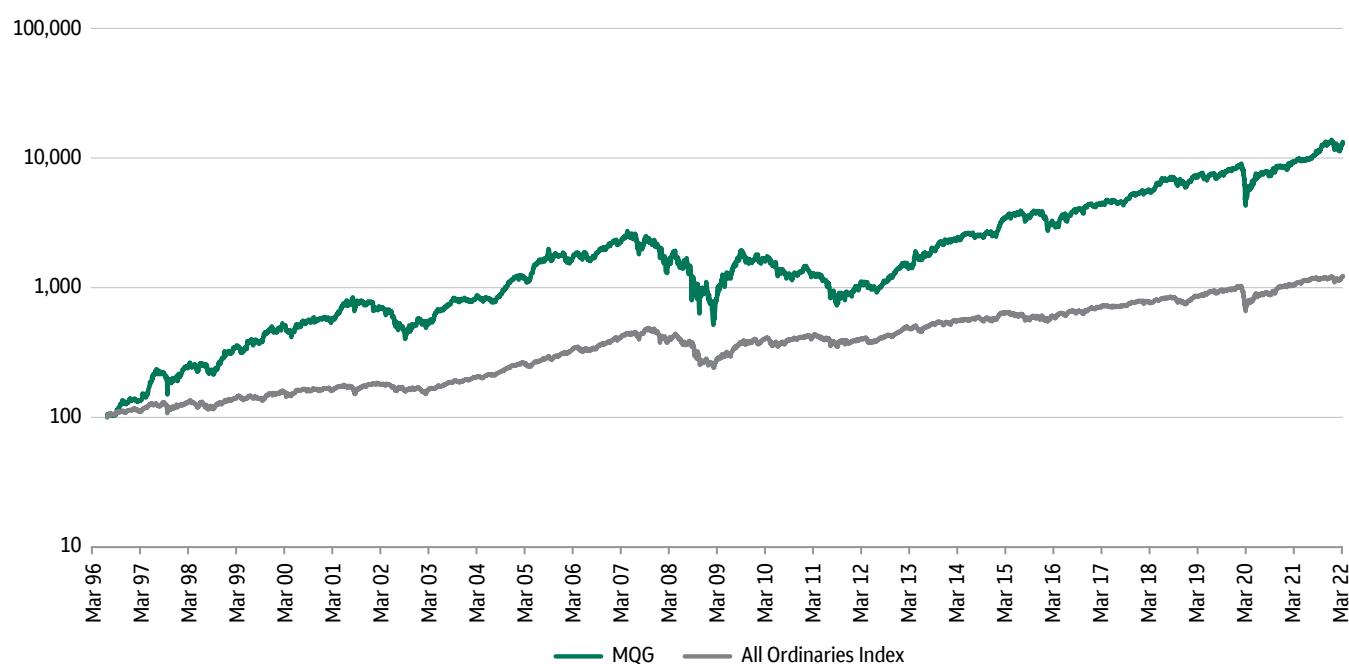
Macquarie's TSR over the long-term has been strong and continues to outperform both the MSCI World Capital Markets Index (MSCI Index) since the inception of this index and the All Ordinaries Accumulation Index (All Ords Index) since listing.

The TSR charts below are displayed on a base-10 logarithmic scale, which displays relative percentage movements over an extended historical time frame as similar in size, without visually skewing the performance in more recent years.

### Macquarie TSR versus the MSCI Index<sup>(17)</sup>: 30 April 2003, being the date the index was first calculated, to 31 March 2022



### Macquarie TSR since listing versus the All Ords Index<sup>(18)</sup>: 29 July 1996 to 31 March 2022



(17) Indexed to 100 on 30 April 2003, being the date the index was first calculated. The MSCI World Capital Markets Index comprises a basket of companies that provide capital markets activities (defined by MSCI as asset management, investment banking and brokerage, and diversified capital markets activities). Macquarie TSR calculations assume continuous listing. Therefore, they are based on Macquarie Bank Limited (ASX Code: MBL) data up to and including 2 November 2007 (the last day of trading of MBL shares), and MGL (ASX Code: MQG) data from the commencement of trading of MGL ordinary shares on 5 November 2007 onwards.

(18) Indexed to 100 on 29 July 1996, being when MBL shares were first quoted on ASX. The All Ordinaries Accumulation Index (All Ords Index) comprises the 500 largest ASX listed companies by market capitalisation. As per the footnote for the MSCI World Capital Markets Index, Macquarie TSR calculations assume continuous listing.

## Macquarie's ROE performance compared with an international reference group

Macquarie's ROE for FY2022 of 18.7% has improved from 14.3% in the prior year and remains higher than the average of the international reference group. In addition, Macquarie's three, five and ten-year average annual ROE exceeds the majority of the reference group.

### Reference group ROE over ten years FY2013–2022

	1 year average % p.a.	3 year average % p.a.	5 year average % p.a.	10 year average % p.a.
Macquarie	<b>18.7</b>	<b>15.3</b>	<b>15.6</b>	<b>13.4</b>
Average of reference group	<b>16.5</b>	<b>13.3</b>	<b>11.6</b>	<b>10.2</b>
Company	12.4	9.9	9.5	6.9
Company	11.4	6.3	3.7	2.0
Company	(3.8)	3.4	2.5	1.1
Company	3.4	(2.0)	(1.5)	(1.7)
Company	23.0	14.6	12.4	11.2
Company	18.3	14.8	13.5	11.7
Company	56.0	48.8	43.4	45.4
Company	15.3	13.3	11.9	8.5
Company	12.4	10.6	8.5	6.9

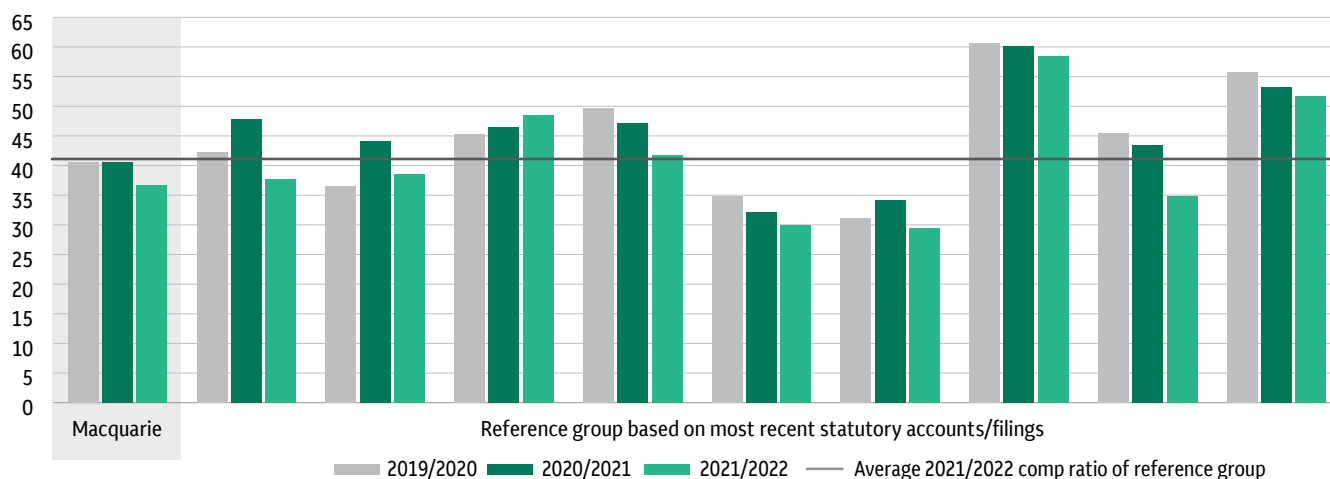
Source: Bloomberg (reference group) and Macquarie as reported.

## Compensation expense to income ratio

In determining the reasonableness of the company-wide profit share pool, the Board considers Macquarie's compensation expense to income ratio (compensation ratio) compared to that of the international reference group as a broad guide to assess whether the share of profits distributed to staff and shareholders is reasonable. The compensation ratio effectively adjusts for differences in size between organisations; however, some companies are or have become part of larger organisations, often with large retail operations that can distort comparisons.

In the following chart, Macquarie's compensation ratio is compared with that of the international reference group.<sup>(19)</sup> Macquarie's FY2022 compensation ratio of 36.7% is below the average of our international peer group.

### Compensation expense to income ratio: FY2020–2022 (%)



Source: Data has been calculated by Macquarie. The information is based on publicly available information for the reference group. In order to show more comparable compensation ratios, impairments have been consistently netted against net revenue in the revised calculations for some organisations.

(19) The reference group comprises Bank of America Corporation, Barclays PLC, Credit Suisse Group AG, Deutsche Bank AG, Goldman Sachs Group Inc., JP Morgan Chase & Co., Lazard Ltd, Morgan Stanley and UBS AG.



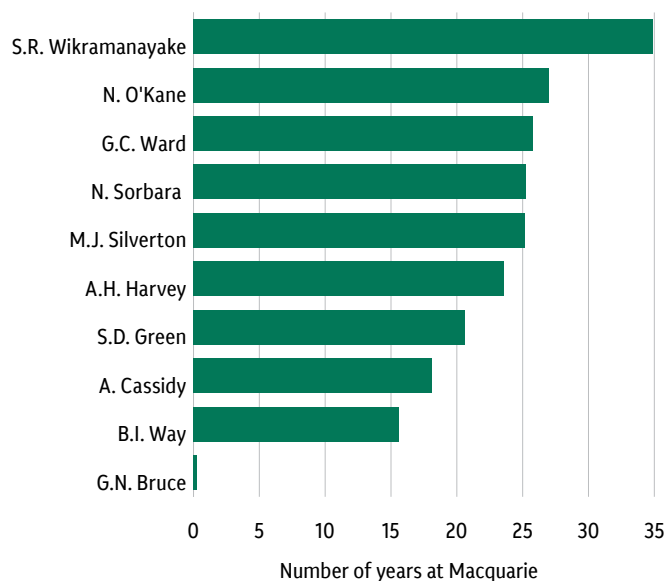
# Remuneration Report

Continued

## Tenure of Executive KMP<sup>(20)</sup>

One of the primary goals of our remuneration framework is to attract, motivate and retain high-performing staff. The Board's view is that we continue to achieve this goal as demonstrated by the following:

- Macquarie's Executive KMP had an average tenure of 22 years with Macquarie as at 31 March 2022. Their strong leadership and deep expertise have been integral to driving company and business performance in FY2022
- as at 31 March 2022, 48% of Director-level staff had more than ten years' experience with Macquarie, while a further 21% had between five and ten years' experience with Macquarie
- the 6% Director-level voluntary turnover rate in FY2022, while higher than the prior year due to external factors such as the highly competitive global market for talent, remains well below the voluntary turnover rate across Macquarie overall.



(20) This includes accumulated service at acquired companies, for example, Bankers Trust Investment Bank Australia.

## Executive KMP remuneration outcomes for FY2022

This section details the process for determining Executive KMP remuneration outcomes for FY2022 and demonstrates the link between pay and performance.

### Executive KMP fixed remuneration outcomes

In line with our pay for performance approach to remuneration, fixed remuneration for our Executive KMP in FY2022 comprised approximately 8% of total awarded remuneration, with the balance at risk and explicitly linked to performance.

Mr Cassidy and Mr Green were appointed to the Executive Committee during FY2022. To reflect their new roles, their fixed remuneration has been increased, effective 1 April 2022. There are no fixed remuneration increases for other Executive KMP for FY2023, however as noted in the letter from the Chair, fixed remuneration levels will be increased from 1 April 2023.

### Process to determine Executive KMP profit share outcomes

There is a consistent and comprehensive process for the Board and the BRC to assess the performance of the CEO and each Executive KMP during the year to enable them to determine remuneration outcomes at the end of the year. The Board is always mindful of the external focus on overall remuneration levels and has spent considerable time determining remuneration outcomes. The BRC recognises the range of expectations and has made decisions that take into consideration the perspectives of all stakeholders. Significant judgement is applied to ensure that remuneration outcomes are aligned both with individual and company-wide performance and with outcomes delivered to our shareholders, our clients and the communities in which we operate.

As part of the Board's annual review of Macquarie's CEO's performance, the CEO meets with the Non-Executive Directors (NEDs) of the Board towards the end of the financial year to consider formal documentation that outlines her views of Macquarie's performance. The presentation includes a broad range of Macquarie's activities covering the following main areas:

- financial performance
- risk management and compliance
- business leadership including customer and community outcomes
- people leadership and professional conduct consistent with the *Code of Conduct* and the principles of *What We Stand For*.

Over the course of the year the Board receives regular reports and updates on many of these areas. These are summarised in the CEO's presentation, together with additional information on matters of interest the Board has identified for further discussion as a part of the review process. This year, the NEDs requested that the CEO focus on major strategic, risk and business initiatives as well as the management of prudential and regulatory obligations. The Board then considers the CEO's performance and progress against all of these topics in determining the CEO's remuneration for the year. A similar process is followed for the CEO of Macquarie Bank focussed on MBL-specific measures.

The Board and the BRC review formal documentation for each Executive KMP, which includes consideration of the same factors as the CEO as set out above.

The BRC also consider risk-related matters raised in the independent reports from the CRO and the Head of Internal Audit. To ensure all matters are appropriately brought to the BRC's attention and to achieve an integrated approach to remuneration that reflects prudent and appropriate risk management, there is a joint meeting of the BRC, BRIC, BAC and the BGCC.

Finally, the BRC considers remuneration levels for organisations that broadly operate in the same markets and compete for the same people as Macquarie.

### FY2022 Executive KMP profit share outcomes

FY2022 remuneration outcomes reflect:

- this year's achievements against a range of financial and non-financial factors, some of which are discussed below
- the recognition that our people are our greatest asset, and the importance of retaining key people to encourage innovation and pursue growth opportunities
- an alignment to the outcomes delivered to shareholders
- risk management, compliance and conduct outcomes.

The Board's determination of remuneration outcomes for FY2022 for the CEO and Executive KMP reflect the following factors:

- record profits and strong financial performance while delivering sound customer/client and community outcomes across all four businesses
- the strong leadership of the CEO and the whole Executive Committee demonstrating both an alignment to our purpose and ongoing resilience to the impacts of the COVID-19 pandemic
- increased cross-collaboration across Macquarie, including strategic initiatives to reflect the evolving environment in climate solutions and energy transition
- continued focus on building a diverse, equitable and inclusive work environment
- the continued investment in technology and digitalisation
- role-modelling of and encouragement of behaviours that support a strong risk culture
- focus on regulatory engagement, in particular commitment to strengthening regulatory relationships, prudential compliance and governance across Macquarie
- progress against the APRA remediation plan to strengthen the voice of the Bank. This incorporates the programs of work across governance, remuneration, risk culture, regulatory reporting, prudential risk management, and group structure
- continued focus on WHS as a key priority to reduce the risk of serious injuries and fatalities across our activities. This priority will continue into FY2023

# Remuneration Report

Continued

- the management of financial and non-financial risks. During the year, there has been a strong focus on enhancements of risk capabilities and risk frameworks. While we have no systemic concerns, there have been risk management issues during the year for which we have imposed remuneration impacts to the MGL CEO, the MBL CEO and relevant Executive KMP.

Executive KMP remuneration outcomes have been considered in the context of the wider workforce. The BRC receives extensive reporting on remuneration outcomes and individually reviews and approves the remuneration of Accountable Persons, staff who hold regulated roles, Designated Executive Directors (generally direct reports of Executive KMP) and other senior staff, and has reviewed overall total remuneration levels across each business to ensure appropriate distribution of remuneration across the organisation. The BRC has also considered the compensation expense to income ratio as a guide as to whether the share of profits distributed to staff and shareholders is reasonable.

After careful consideration of all these factors, we believe the following outcomes for the year are appropriate:

- CEO awarded profit share has increased 26% on the prior year to \$A25.0 million
- total Executive KMP awarded profit share of \$A123.82 million (up 16% on the prior year)
- PSU allocations of \$A4.0 million for the CEO and ranging from \$A1.4 million to \$A2.8 million for Executive KMP.

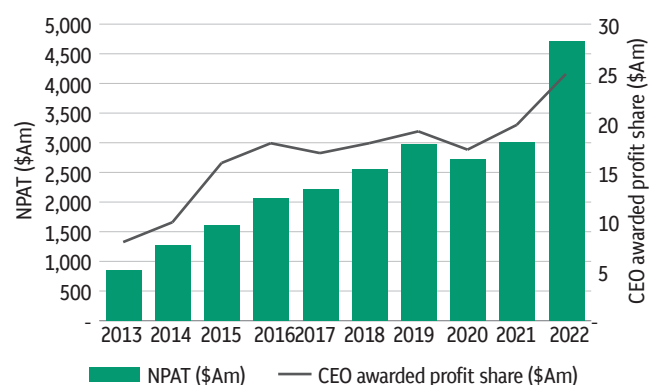
## New Executive Committee member

The Board recognises that it is vital to secure the best executive talent. In January 2022, we were pleased to welcome Evie Bruce to Macquarie in the role of incoming General Counsel. Ms Bruce was subsequently appointed to the Executive Committee on 2 March 2022.

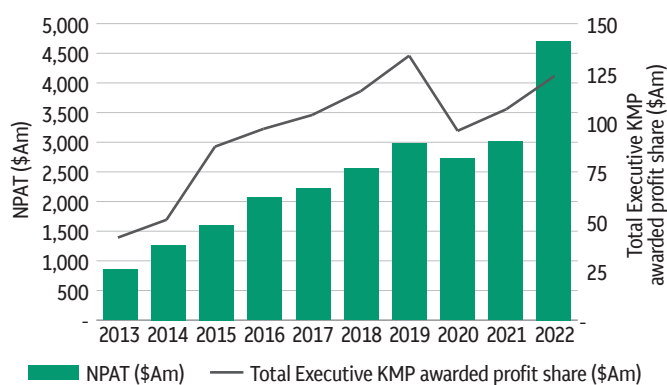
To secure Ms Bruce's appointment, the Board determined it was necessary and appropriate to provide competitive remuneration arrangements, with consideration of internal peers and external market comparators. This included awarding minimum profit share allocations of \$A0.7 million and \$A2.6 million for the performance years ending 31 March 2022 and 2023, respectively. The profit share allocations will be subject to Macquarie's standard remuneration arrangements, including the retention, forfeiture, and release conditions as set out on pages 103 to 104 of the Remuneration Report. Ms Bruce will also receive a minimum PSU allocation of face value \$A2.0 million for FY2023, subject to the performance hurdles and other conditions applicable to the PSU allocations awarded to other Executive Committee members.

To demonstrate the alignment between pay and performance, the following graphs show the multi-year alignment between CEO and total Executive KMP awarded profit share and Macquarie NPAT over a ten-year period.

CEO awarded profit share<sup>(21)</sup>



Total Executive KMP awarded profit share



(21) For 2019, the graph reflects awarded profit share for the CEO role for FY2019. This equates to the sum of awarded profit share for Mr Moore for the period 1 April 2018 to 30 November 2018 and awarded profit share for Ms Wikramanayake for the period 1 December 2018 to 31 March 2019.

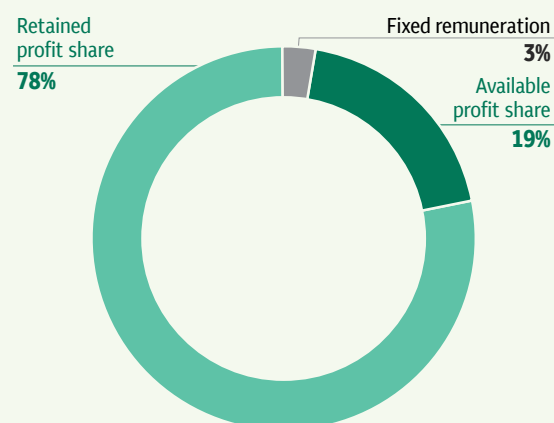
## Executive KMP awarded pay

To clearly demonstrate the link between pay and performance, we have included awarded remuneration disclosures for fixed remuneration and profit share as well as highlights of each Executive KMP's performance for the year. Details of PSUs awarded and vested in the year are set out in the following sections. The tables on the following pages are additional disclosures that are prepared on a different basis to those included in the statutory disclosures in Appendix 2 and are not additive. Remuneration relating to the portion of the relevant periods that each person was an Executive KMP is disclosed.

## Macquarie Group

### S.R. Wikramanayake – Macquarie CEO

Awarded remuneration (\$A)	FY2022	FY2021
Fixed remuneration	820,887	820,244
Available profit share	5,000,000	3,970,000
Retained profit share	20,000,000	15,880,000
<b>Total</b>	<b>25,820,887</b>	<b>20,670,244</b>



### Financial results

- Successfully steered the organisation through extended economic and market volatility, achieving strong financial outcomes, including highest profit on record: NPAT of \$A4,706m, up 56% compared to FY2021 driven by strong growth in market-facing businesses.
- Maintained strong balance sheet and liquidity positions.

### Risk management and compliance

- Strengthened our risk management framework with continued focus on meeting regulator expectations.
- Uplifted risk capability through recruiting, group-wide training and continued investment in technology.
- Implemented robust processes to identify, assess and consider emerging risks.
- Matured our approach to managing conduct risk through framework uplifts, staff training and delivering insights to key forums.

### Business leadership (including customer and community outcomes)

- Continued to navigate the organisation through the ongoing impacts of COVID-19 focussing on employees, clients, portfolio companies and the community.
- Moved the Green Investment Group (GIG) into MAM Private Markets to combine specialist capabilities in green finance and meet investor demand for green opportunities.
- Promoted collaboration across Macquarie's businesses to unlock new opportunities and share best practice.
- Active participation with regulators, governments and advisory panels on strategic initiatives relating to climate and energy solutions, including the Glasgow Financial Alliance for Net Zero and Climate Financial Leadership Initiative.

### People leadership and professional conduct

- Continued development of a strong leadership team through new appointments to the Executive and Management Committees to drive greater collaboration and business growth.
- Strong people leadership reflected in high CEO approval and employee engagement results through the Macquarie Voice survey, further improving through extended periods of remote working and CEO time devoted to staff engagement.
- Enhanced focus on embracing equity to attract and retain diverse talent, with the addition of equity as a pillar of Macquarie's people strategy in FY2022 and internal and external engagement to support progress on DEI initiatives and active participation at events aimed at driving equitable opportunities.

# Remuneration Report

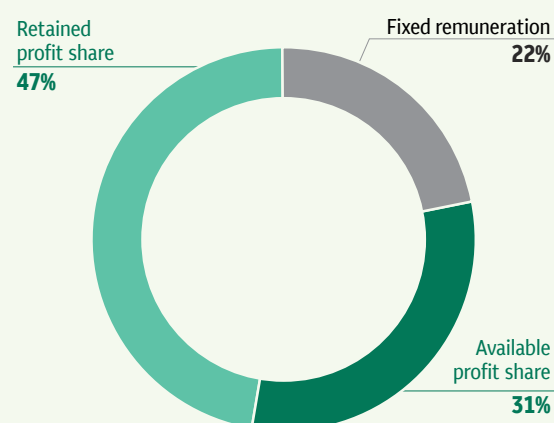
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## Macquarie Bank

### S.D. Green – Macquarie Bank CEO

Awarded remuneration (\$A)	FY2022	FY2021
Fixed remuneration	536,496	n/a
Available profit share	750,000	n/a
Retained profit share	1,125,000	n/a
<b>Total</b>	<b>2,411,496</b>	<b>n/a</b>

Mr Green was appointed to the Executive Committee effective 1 July 2021. Awarded remuneration disclosed reflects his time as Executive KMP from the period 1 July 2021 to 31 March 2022.



#### Financial results

- Strong management of MBL's balance sheet, including continued growth across MBL in capital utilisation, supported by the strong capital position of MGL.
- Improved credit rating for Macquarie from stable to positive based on Moody's positive outlook on MBL's asset risk profile and profitability over a sustained period.
- Maintained Macquarie's upgraded S&P rating of A+.

#### Risk management and compliance

- Continued investment in technology to strengthen the voice of the Bank, enhance MBL's risk management framework and risk capabilities to ensure businesses are well positioned to manage current and emerging risks.
- Ongoing focus on monitoring heightened risks driven from external factors including post COVID-19 recovery and increased market volatility.
- Commitment to strengthen prudential compliance and governance across Macquarie through closer relationships with global regulators.

#### Business leadership (including customer and community outcomes)

- Successful transition into the Macquarie Bank CEO role on 1 July 2021.
- Leading Macquarie through current remediation program with APRA to strengthen the voice of the Bank, manage potential conflicts and enhance MBL's risk management and regulatory reporting practices including active engagement with regulators.
- Active participation at external industry bodies, including the Australian Banking Association Council, Australian Financial Management Authority and Australian Business Growth Fund.

#### People leadership and professional conduct

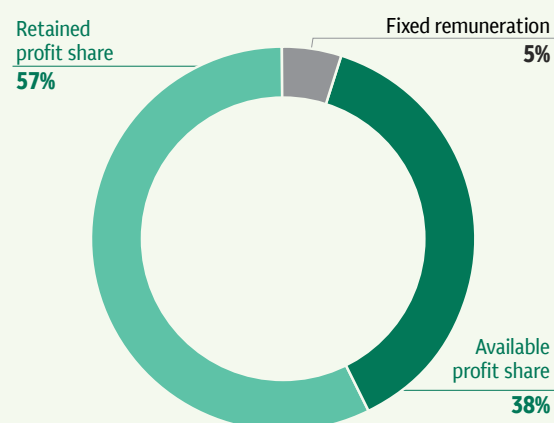
- Protection of MBL interests by closely engaging with our people, investors, governments and regulators.
- Ongoing focus on setting a strong 'tone from the top' and role modelling leadership behaviours.

## Macquarie Asset Management (MAM)

### B.I. Way – Head of MAM

Awarded remuneration (\$A)	FY2022	FY2021
Fixed remuneration	725,135	n/a
Available profit share	5,800,000	n/a
Retained profit share	8,700,000	n/a
<b>Total</b>	<b>15,225,135</b>	<b>n/a</b>

Mr Way was appointed to the Executive Committee effective 1 April 2021.



#### Financial results

- Delivered a net profit contribution of \$A2,150m, up 4% on FY2021 financial results underpinned by the disposition fee and investment income.
- Total funding usage increased during FY2022 as disciplined use of balance sheet remains critical to support medium and long-term growth activities.

#### Risk management and compliance

- Continued to strengthen MAM's risk governance and frameworks during the year to support business change and growth, including embedding the conduct risk management framework, and compliance with sustainability-related regulations.
- Strong focus on Work Health and Safety (WHS) as a key priority during FY2022 including embedding an enhanced WHS framework and focus on leadership capabilities to reduce WHS risk at our portfolio companies. This priority will continue during FY2023.

#### Business leadership (including customer and community outcomes)

- Successfully transitioned into the Group Head of MAM role on 1 April 2021.
- Aligned the Group's organisation structure to MAM's capabilities with 4 divisions organised across Private Markets and Public Investments.
- Developed the 10-year growth plan with strong progress on strategic priorities and financial targets by 2030.
- Progressed the integration of GIG to bring together Macquarie's specialist capabilities to provide clients with greater access to green investment opportunities.
- Delivered scalable growth with three corporate acquisitions (Waddell & Reed, AMP Capital, Central Park Group).
- Continued to drive sustainability and leadership through promotion of sustainability narrative and regular tracking of progress to achieve MAM's net zero target by 2040.

#### People leadership and professional conduct

- Fostering people and culture remains a high priority focussing on MAM's culture, DEI initiatives and staff development and recognition.
- Culture alignment remains a key focus from recent acquisitions and integrations.
- Investing in leadership and culture, with senior appointments to global roles driving strategy in priority areas including private credit, sustainability, and DEI.



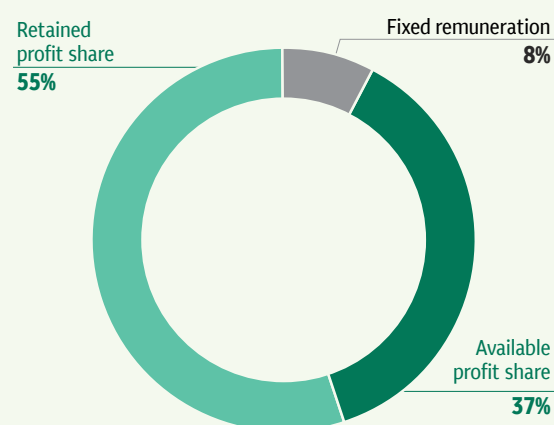
# Remuneration Report

Continued

## Banking and Financial Services (BFS)

G.C. Ward – Deputy Managing Director and Head of BFS

Awarded remuneration (\$A)	FY2022	FY2021
Fixed remuneration	771,594	771,319
Available profit share	3,600,000	3,220,000
Retained profit share	5,400,000	4,830,000
<b>Total</b>	<b>9,771,594</b>	<b>8,821,319</b>



### Financial results

- Delivered a net profit contribution of \$A1,001m, up 30% on FY2021 results, with core business continuing to experience significant growth despite ongoing challenging environment.
- Strong organic growth with total BFS deposits increased 21% to \$A98.0 billion and funds on platform increased by 17% to \$A118.7 billion.
- Home loan portfolio increased by 34% to \$A89.5 billion and Business Banking loan portfolio increased by 13% to \$A11.5 billion.

### Risk management and compliance

- Ongoing focus on key operational risk management to ensure robustness of control framework and effective risk management.
- Continued focus on enhancements to fraud prevention and detection capabilities, including client scam and fraud awareness.

### Business leadership (including customer and community outcomes)

- Continued investment in innovative and technology-driven products and delivery of core technology programs to uplift agility, customer experience and risk management.
- Provided COVID-19 and natural disaster related support for our customers.
- Ongoing focus on the delivery of the remediation program with APRA to ensure it meets regulatory expectations.
- Received a number of awards including Mortgage & Finance Association of Australia (National Major Lender of the Year), Money Magazine (Best Savings Account), World Agility Forum Awards (Best Agile Place to Work).

### People leadership and professional conduct

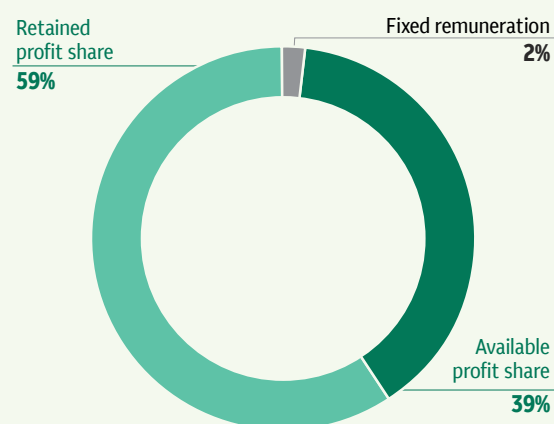
- Continued investment in people including performance, staff development and reward approach to drive strong staff engagement.
- Ongoing focus on DEI initiatives through sustained efforts in developing and recruiting diverse talent.

## Commodities and Global Markets (CGM)

### N. O'Kane – Head of CGM

Awarded remuneration (\$A)	FY2022	FY2021
Fixed remuneration	723,321	816,732
Available profit share	14,200,000	10,198,800
Retained profit share	21,300,000	15,298,201
<b>Total</b>	<b>36,223,321</b>	<b>26,313,733</b>

The movement in Mr O'Kane's fixed remuneration reflects an adjustment to his salary on relocation to Australia in FY2021 in line with other Executive KMP based in Australia.



### Financial results

- Delivered a record net profit contribution of \$A3,911m, up 50% on FY2021 results.
- Increased profits across all business divisions in Commodities, Financial Markets and Asset Finance, driven by:
  - increased revenue across Commodities with strong risk management income from Gas and Power, Resources, Agriculture and Global Oil due to increased client hedging activity as a result of elevated levels of volatility and commodity price movements. Commodities inventory management and trading income also increased with strong trading gains from supply and demand imbalances in Gas and Power partially offset by unfavourable timing of income recognition on Gas storage and transport contracts
  - record increased performance across major products and markets in Financial Markets
  - increased contribution from Asset Finance, largely related to the partial sale of the UK Meters portfolio in May 2021 and increased activity across its other sectors.

### Risk management and compliance

- Continued investment in large scale projects to uplift the risk control environment and support regulatory expectations, including a focus on risk programs.
- Established a dedicated specialist risk team to focus on the diversity of the business's operations.

### Business leadership (including customer and community outcomes)

- Maintained strong market recognition including ranked No.1 Futures broker on the ASX,<sup>(22)</sup> No.4 physical gas marketer in North America,<sup>(23)</sup> awarded House of the Year for Derivatives,<sup>(24)</sup> Oil and Products,<sup>(24)</sup> Base Metals and Commodity Research.<sup>(25)</sup>
- Energy transition remained a key focus area during the year including establishing the Global Carbon business with a focus on developing a significant global portfolio and a dedicated Net Zero team to support the Macquarie-wide initiative.
- Continued focus on client base with a diverse and growing client base, delivering increasing levels of repeat business.
- Ongoing focus on the delivery of the remediation program with APRA to ensure it meets regulatory expectations.

### People leadership and professional conduct

- Continued investment in people and leadership development, including implementing people strategies to upskill staff and their development.
- Ongoing focus on DEI strategy and initiatives remain a key strategic priority.

(22) Based on overall market share on ASX24 Futures volumes as at 31 Dec 2021.

(23) Platts Q3: Jun-Sep 2021.

(24) Energy Risk Awards 2021 and Energy Risk Asia Awards 2021.

(25) Energy Risk Asia Awards 2021 as at 31 January 2022.

# Remuneration Report

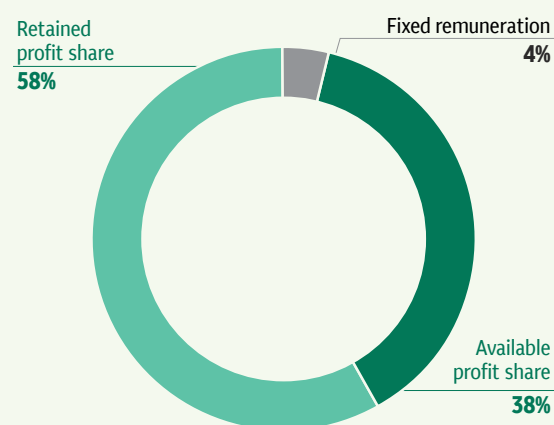
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## Macquarie Capital

### M.J. Silverton – Head of Macquarie Capital

Awarded remuneration (\$A)	FY2022	FY2021
Fixed remuneration	705,436	724,676
Available profit share	6,456,000	1,650,000
Retained profit share	9,684,000	3,850,000
<b>Total</b>	<b>16,845,436</b>	<b>6,224,676</b>

Mr Silverton was Co-Head of Macquarie Capital during FY2021 and became Group Head of Macquarie Capital effective 29 October 2021.



#### Financial results

- Delivered a strong record net profit contribution of \$A2,400m, significantly up from \$A651m in FY2021 driven by increased fee and commission income and principal revenue with material asset realisations across a range of sectors and geographies from multi-year deals in FY2022.
- Continued growth in fee revenue leading to a record year, due primarily to improved market conditions and increased market share in key regions for M&A transactions.

#### Risk management and compliance

- Continued to focus on a strong risk control environment and culture, including investment in Non-Financial Risk function bringing together various specialist risk teams to provide expertise and drive best practice risk management.
- Continued focus on WHS including enhancements to management system and due diligence to ensure continuous improvement and promote best practices.

#### Business leadership (including customer and community outcomes)

- Group Head of Macquarie Capital effective from 29 October 2021, previously he was Co-Head.
- Focussed on strategic areas of opportunity during the year, across advisory, capital markets and principal investing activities, including:
  - development of areas of established industry depth (e.g. Infrastructure and Energy, Gaming, Education, Government Services, Tech, Fintech, Critical Minerals)
  - targeted geographic expansion including the continued development of the business in Europe; and
  - development of principal strategies.
- Maintained the global No.1 ranking for infrastructure financial adviser as well as No.1 in ANZ for M&A. Macquarie Equities ranked first with Australian investors across Research and Sales, Corporate Access and Trading.
- Global collaboration between teams continues to drive successful outcomes, in such areas as financial sponsor relationships, private credit growth and cross border transactions.
- Drove improvement in areas of community need through principal investments and continued to focus on client outcomes demonstrated in part through repeat customers and ensuring inclusive access and sustainable outcomes.

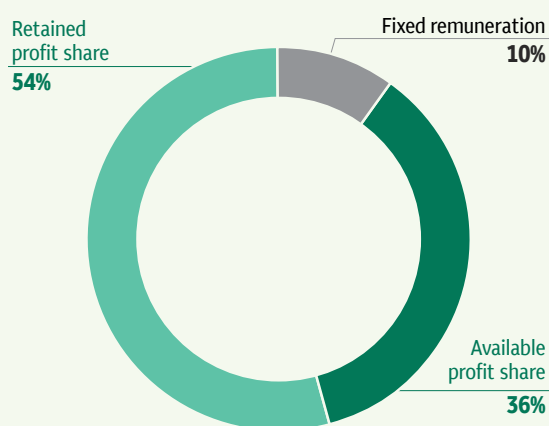
#### People leadership and professional conduct

- Ongoing focus to drive a collaborative and inclusive culture, including embedding purpose, focus on staff well-being, development and performance and prioritising people management as a key driver to an engaged and positive culture.
- Led teams through organisational transition of GIG from Macquarie Capital to MAM.
- Continued to focus on hybrid/flexible working and DEI initiatives, with work on recruitment and retaining a diversity pipeline.

## Corporate Operations Group (COG)

N. Sorbara – COO and Head of COG

Awarded remuneration (\$A)	FY2022	FY2021
Fixed remuneration	771,594	771,319
Available profit share	2,900,000	2,440,000
Retained profit share	4,350,000	3,660,000
<b>Total</b>	<b>8,021,594</b>	<b>6,871,319</b>



### Financial results

- Responsible for Technology, Operations, Human Resources, Business Services, Business Improvement and Strategy, Digital Transformation and Data, and the Macquarie Group Foundation.
- Increased investment in core technology services and strategic technology investments across all Groups.
- Delivered \$A25 million in cost savings through efficiency initiatives (including investment in technology) across COG, and \$A90 million in savings in COG controlled services charged direct to the business.

### Risk management and compliance

- Effectively managed group wide risk frameworks including cyber security, global security and fraud, enterprise information management, business resilience, supplier governance and remuneration.
- Sponsorship of group wide risk programs achieving significant milestones in areas like enterprise data management.
- Led the engagement with APRA in regard to remuneration-related remediation activities and CPS 511.

### Business leadership (including customer and community outcomes)

- Continued to lead Macquarie's successful response to COVID-19, including Macquarie's global return to office strategies and wellbeing support initiatives.
- Led the ongoing development and design of Sydney Metro Martin Place as well as 21 global workplace projects.
- Led end-to-end digitalisation programs across Macquarie including the ongoing digitalisation of HR, procurement and operations services, became the first Australian bank to migrate SAP Core Banking to the cloud, and partnered with FMG to deliver the Fusion General Ledger.
- Delivered support to the community with a record contribution to over 2,300 non-profit organisations and the expansion of the Racial Equity Fund.
- Led the execution of the 2025 Sustainability plan as part of Macquarie's net zero ambitions.

### People leadership and professional conduct

- Continued investment in people including leadership, technology and future-skills.
- Ongoing strong focus on DEI initiatives, through role-modelling inclusive and authentic leadership behaviours and capabilities.
- Strong people leadership of COG with high staff engagement scores, sponsorship of career mobility, gender pay parity for like roles, and a diverse leadership team.
- Rolled out the addition of equity as a pillar of Macquarie's refreshed people strategy to drive a more diverse, inclusive and equitable organisation.

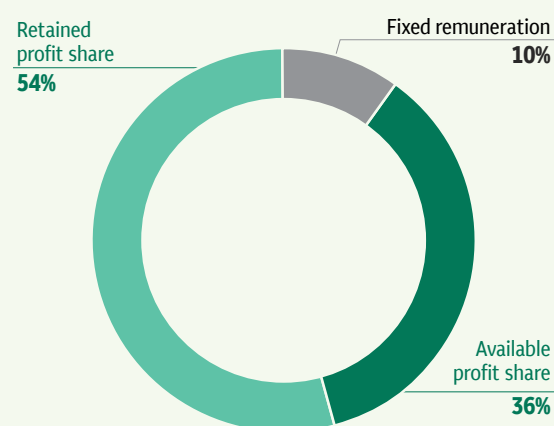
# Remuneration Report

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## Financial Management Group (FMG)

A.H. Harvey – CFO and Head of FMG

Awarded remuneration (\$A)	FY2022	FY2021
Fixed remuneration	771,594	771,319
Available profit share	2,900,000	2,440,000
Retained profit share	4,350,000	3,660,000
<b>Total</b>	<b>8,021,594</b>	<b>6,871,319</b>



### Financial results

- Responsible for financial, tax and treasury services to all areas of Macquarie and for Macquarie's corporate affairs team including corporate communications and investor relations.
- Maintained strong balance sheet and support for very significant growth across all of Macquarie's businesses. \$A2.8 billion of equity capital and \$A48.3 billion of term funding raised during FY2022.
- Ongoing progress on end-to-end transformation projects including review of control framework and operating model to enhance controls and automation. Successful implementation of the new General Ledger delivering significant annual financial benefits and cost savings due to structure simplification.

### Risk management and compliance

- Continued focus on strong risk management framework and governance frameworks including participation in non-financial risk program, enhancements in finance control and operating standards and implementation of regulatory reporting policy.
- Ongoing focus on the effective and timely delivery of the remediation program with APRA to ensure it meets regulatory expectations.

### Business leadership (including customer and community outcomes)

- Appointed as Chair of Macquarie Group Foundation on 1 January 2022. Our staff and the Macquarie Group Foundation together contributed \$A44 million in funding and thousands of hours of their time to communities across the globe in FY2022. Managed global social impact investing pilot which led to \$A20 million commitment to the Foundation.
- Enhanced regular engagement with global investors, funding banks, rating agencies, regulators and analysts despite pandemic restrictions in FY2022.
- Facilitated funding, structuring and stakeholder engagement for multiple significant transactions across the ESG spectrum.
- Partnered across Macquarie to execute over \$A3 billion of acquisitions and divestments, including Waddell & Reed, AMP and UK meters business.
- Established the Climate Intelligence Unit in response to internal demand for subject matter expertise and external client demand for advice and leadership on decarbonisation opportunities.

### People leadership and professional conduct

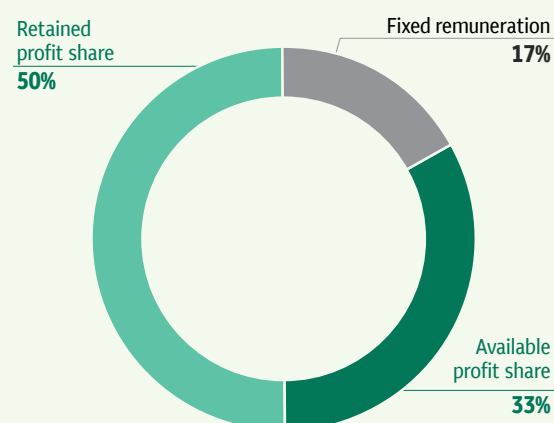
- Continued investment in people including leadership, learning and development and staff wellbeing.
- Ongoing strong focus on DEI initiatives, including diverse representation at senior levels.

## Risk Management Group (RMG)

### A. Cassidy – CRO and Head of RMG

Awarded remuneration (\$A)	FY2022	FY2021
Fixed remuneration	142,738	n/a
Available profit share	280,000	n/a
Retained profit share	420,000	n/a
<b>Total</b>	<b>842,738</b>	<b>n/a</b>

Mr Cassidy was appointed to the Executive Committee effective 1 January 2022. Awarded remuneration disclosed reflects his time as Executive KMP from the period 1 January 2022 to 31 March 2022.



#### Financial results

- Responsible for identifying, assessing, monitoring and reporting risks across Macquarie.

#### Risk management and compliance

- Strong focus on enhancements on risk capabilities and risk frameworks across three lines of defence through various projects across Macquarie.
- Continued investment in non-financial risk capabilities, including investment in people, systems, technology and processes.
- Regulatory expectations front of mind with ongoing engagement with local and offshore regulators.

#### Business leadership (including customer and community outcomes)

- Appointed to the role of CRO and Head of RMG on 1 January 2022.
- Continued support and collaboration on risk management frameworks and controls, including heightened regulatory interactions and scrutiny globally across Macquarie.
- RMG has evolved to deliver outcomes consistent with stakeholder expectations, including launching Macquarie-wide safety vision to improve WHS accountability and embed regional oversight.
- Ongoing focus on the delivery of the remediation program with APRA to ensure it meets regulatory expectations.

#### People leadership and professional conduct

- Continued investment in people with risk capabilities, including identifying and developing leadership capabilities.
- Ongoing focus on DEI initiatives through mentorship and driving an inclusive culture.

# Remuneration Report

Continued

## Executive KMP – Allocation of PSUs for FY2022

As set out on page 105, individual PSU allocations were determined based on their role as members of the Executive Committee and contribution to driving the collective performance of Macquarie.

The number of PSUs to be allocated will be calculated by dividing the face value of the PSU award by the price of Macquarie ordinary shares on or around the date of grant.

Approval will be sought at Macquarie's 2022 AGM to allocate PSU awards to the Macquarie CEO, who is also an Executive Voting Director.

The table below sets out PSU awards to current Executive KMP but does not include former Executive KMP who received PSU awards in the prior year.

Executive KMP	Value of the FY2022 PSU award (\$A)	Value of the FY2021 PSU award (\$A)
S.R. Wikramanayake	4,000,000	3,200,000
G.N. Bruce	1,400,000	-
A. Cassidy	2,800,000	-
S.D. Green	2,800,000	-
A.H. Harvey	2,800,000	2,240,000
N. O'Kane	2,800,000	2,240,000
M.J. Silverton	2,800,000	2,240,000
N. Sorbara	2,800,000	2,240,000
G.C. Ward	2,800,000	2,240,000
B.I. Way	2,800,000	-

Pages 105 to 106 set out details of the performance hurdles and vesting period applicable to these awards.

## Executive KMP – PSUs vesting during FY2022

The PSUs that completed their performance period on 30 June 2021 comprised the second tranche of those awards granted in 2017 and the first tranche of those granted in 2018. The performance hurdle tests were performed using data sourced from Bloomberg for all companies in the international reference group (as well as Macquarie) and the calculations were reviewed independently. The results showed that the performance hurdles:

- based on Macquarie's relative average annual ROE compared to the international reference group were fully met for both tranches; and
- based on the EPS CAGR in Macquarie's reported financial year were not met for either the 2017 or the 2018 PSU grants.

As a result, 50% of the awards became exercisable on 1 July 2021, as shown below:

PSU tranche	EPS CAGR Hurdle			ROE Hurdle		
	Macquarie result (for vesting period)	Hurdle	Outcome	Macquarie result (for vesting period)	Hurdle	Outcome
<b>2017 Tranche 2</b>	6.40%	50% at 7.5% CAGR 100% at 12% CAGR	0% exercisable	14.80% (88th percentile)	50% above the 50th percentile <sup>(26)</sup> 100% at the 75th percentile <sup>(26)</sup>	100% exercisable
<b>2018 Tranche 1</b>	3.59%	50% at 7.5% CAGR 100% at 12% CAGR	0% exercisable	14.63% (88th percentile)	50% above the 50th percentile <sup>(27)</sup> 100% at the 75th percentile <sup>(27)</sup>	100% exercisable

(26) International reference group ROE at 50th percentile 9.78% and international reference group ROE at 75th percentile 12.36%.

(27) International reference group ROE at 50th percentile 11.36% and international reference group ROE at 75th percentile 13.19%.



## Remuneration governance

Effective governance is central to Macquarie's remuneration strategy and approach. The key elements of Macquarie's remuneration governance framework are described below.

MGL AND MBL BOARDS	
Board Remuneration Committee	Board Risk Committee, Board Audit Committee & Board Governance and Compliance Committee
Oversees remuneration policies and practices, and makes recommendations to the Boards	Discuss any relevant matters that may impact remuneration in a joint meeting with the Board Remuneration Committee

### Strong Board oversight

The Board oversees Macquarie's remuneration framework. The Board has a BRC whose objective is to assist the Board and the Board of Macquarie Bank with Macquarie's remuneration policies and practices. The BRC currently comprises four independent Non-Executive Directors (NEDs):

Board Remuneration Committee	
<b>Chair</b> J.R. Broadbent	<b>Members</b> P.M. Coffey M. Roche P.H. Warne

The BRC members have the required experience and expertise in human resources, remuneration and risk to enable them to achieve effective governance of the remuneration framework. The BRC has a regular meeting cycle and met seven times during FY2022. Attendance at meetings by the BRC members is set out in the Directors' Report. Strict processes are in place to ensure conflicts of interest are appropriately managed.

### BRC responsibilities

The BRC pays close attention to the design and operation of remuneration practices for all Macquarie staff, not just for the most senior executives. The responsibilities of the BRC are outlined in its Charter, which is reviewed and approved annually by the Board.



The Charter is available at [macquarie.com/corporate-governance](https://macquarie.com/corporate-governance)

Some of the responsibilities include:

- overseeing the process for the annual review by the Board of the CEOs' and other Executive KMPs' performance
- recommending to the Board the remuneration outcomes for all Executive KMP, Designated Executive Directors and other senior executives
- assessing the effectiveness of the *Remuneration Policy* to ensure compliance with legal and regulatory requirements, as well as to support the alignment of remuneration with prudent risk-taking and professional conduct across the organisation
- recommending the Remuneration Policy to the Board for approval.

### Alignment to risk

The BRC liaises with the BRiC, BAC and BGCC to ensure there is effective co-ordination between the Committees to assist in producing an integrated approach to remuneration that reflects prudent and appropriate risk management.

As set out on page 109, the CRO and the Head of Internal Audit provide the BRC with independent reports detailing significant regulatory and legal matters, significant compliance and operational incidents, internal audit issues and other non-financial risk matters. A joint meeting of the BRC, BRiC, BAC and BGCC is held to discuss these matters, with the CRO and the Head of Internal Audit in attendance. The General Counsel attends as required to provide a further source of independent input, including on matters that might lead to a malus determination.

### Engagement with external stakeholders

The Chairman of the Board and the BRC Chair undertook a series of meetings with investors and proxy advisors during the year to communicate our remuneration approach and to hear any concerns raised by the investor community.

They also engaged with APRA during the year as part of the development of Macquarie's implementation plan for the incoming requirements of CPS 511.

# Remuneration Report

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## Independent remuneration review

The BRC has retained Pay Governance as its independent remuneration consultant, for the use of the Board to obtain advice on the appropriateness of Macquarie's remuneration framework.

The only service that Pay Governance provides to Macquarie is executive compensation consulting to the BRC. Pay Governance has not made any remuneration recommendations, as defined by the *Corporations Act 2001* (Cth) (the Act). The BRC is responsible for making decisions within the terms of its Charter. Pay Governance's terms of engagement set out their independence from members of Macquarie's management. This year, Pay Governance:

- provided information on global remuneration and regulatory trends
- considered alignment with shareholder interests
- compared individual remuneration for Executive KMP where relevant comparator company information was available
- considered Macquarie's overall remuneration approach compared to comparator company organisations.

Pay Governance's findings included that:

- the objectives of Macquarie's remuneration framework are similar to those cited by other leading global investment banks
- Macquarie's remuneration components support its remuneration objectives and principles and are largely consistent with practices at other leading global investment banks, including that performance-based remuneration takes risk management into account.

## Non-Executive Director remuneration

The Macquarie Board seeks to attract and appoint high-calibre NEDs. Reflecting the Board's role, the remuneration arrangements applicable to NEDs, as outlined in this section, differ significantly from the arrangements applicable to Executives.

### Non-Executive Director remuneration

Non-Executive Director fees are set acknowledging the level required to appropriately remunerate highly qualified NEDs who have the relevant skills and experience to govern as a member of the Board.

Macquarie's NED remuneration framework seeks to remunerate high-calibre directors by:

- setting an overall fee that reflects the scale and complexity of Macquarie, including risk management and regulatory responsibilities and the global financial nature of Macquarie's activities
- setting Board and Committee fees to reflect the time commitment required to meet the responsibilities involved in the annual scheduled calendar, taking into account market rates for relevant organisations and market trends
- paying separate fees for additional responsibilities that may arise on an ad hoc basis
- delivering these fees in a form that is not contingent on Macquarie's performance
- setting a minimum shareholding requirement to align the interest of NEDs with shareholders.

MGL NEDs are also NEDs of MBL and the framework governs the remuneration of NEDs of MGL and MBL. The CEO is not remunerated separately for acting as an Executive Voting Director.

Unlike Macquarie executives, NEDs are not granted equity, nor are they eligible to receive profit share payments. There are no termination payments to NEDs on their retirement from office other than payments relating to their accrued superannuation contributions comprising part of their remuneration.

NEDs may elect to receive their remuneration, in part, in the form of superannuation contributions over and above the minimum level of contribution required under applicable legislation.

Macquarie's NEDs are remunerated for their services from the maximum aggregate amount approved by shareholders for this purpose. Macquarie shareholders approved the current limit (\$A5.0 million per annum) at MGL's 2019 AGM. The Board ensures that NED remuneration for MGL NEDs, including any fees for being a member of the MBL Board does not exceed this shareholder approved maximum amount.

Board and Committee fees are reviewed annually.<sup>(28)</sup> The Board has reviewed NED remuneration in the context of external market factors, including trend and peer analysis of Australian and international comparator groups. Having regard to this analysis and to address the increasing demands on NEDs given the growth in the scale of Macquarie's operations and regulatory initiatives that have increased the responsibilities and time commitment of NEDs, particularly as regards MBL, the Board determined to increase the aggregate Macquarie and Macquarie Bank Board member base fees from \$A260,000 to \$A275,000 and increase Board Committee fees by approximately 5-7%. The combined Macquarie and Macquarie Bank annual Board Chairman fee was also increased from \$A890,000 to \$A935,000. The fee increases were effective from 1 July 2021.

Board base fees were last increased in July 2018 and Board Committee fees in October 2015. Over the last five-year period from 2016-2017 to 2021-2022, the compound annual growth rate (CAGR) of the average non-Chairman Board member remuneration was about 1.1% pa and the CAGR of the Board Chairman's remuneration was about 1.6% pa.

### Minimum shareholding requirement for Non-Executive Directors

To align the interests of the Board with shareholders, the Board has a minimum shareholding requirement for NEDs, who are required to have a meaningful direct shareholding in Macquarie.

The Board minimum shareholding requirement:

- for NEDs other than the Chairman, is an investment equivalent to one times the average annual NED fee for the financial year ending prior to their appointment
- for the Chairman, is an investment equivalent to one times the annual Chair fee,

with the minimum number of shares to be determined using the share price as at the date of a NED's/Chairman's appointment.

The above requirements apply to NEDs and are to be met within three years from appointment with one third of the requirement to be held after one year, two thirds after two years and in full after three years.

Under Macquarie's Trading Policy, NEDs may only trade Macquarie securities during designated trading windows and are prohibited from hedging shares held to meet this minimum Macquarie shareholding requirement. Each NED's current holding of Macquarie ordinary shares is included on page 84 of the Directors' Report.

(28) Macquarie has five standing Board Committees. The BAC and BRiC are joint committees of Macquarie and Macquarie Bank. The BGCC and BRC assist both Boards. The BNC assists the Macquarie Board.

# Remuneration Report

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MGL and MBL Annual Director Fees (from 1 July 2021)	MGL FEES		MBL FEES		AGGREGATE FEES	
	Chairman <sup>(29)</sup> \$A	Member \$A	Chairman \$A	Member \$A	Chairman \$A	Member \$A
Board	467,500	137,500	467,500	137,500	935,000	275,000
Board Risk Committee (BRiC)	40,000	18,500	40,000	18,500	80,000	37,000
Board Audit Committee (BAC)	40,000	18,500	40,000	18,500	80,000	37,000
Board Remuneration Committee (BRC)	80,000	37,000	n/a	n/a	80,000	37,000
Board Governance and Compliance Committee (BGCC)	80,000	37,000	n/a	n/a	80,000	37,000
Board Nominating Committee (BNC)	n/a	8,500	n/a	n/a	n/a	8,500

(29) The Chairman of the Board does not receive Board Committee membership fees.

## Appendix 1: Key Management Personnel (KMP) for FY2022

All the individuals listed below have been determined to be KMP for FY2022 for the purposes of the Act and as defined by AASB 124 *Related Party Disclosures*. KMP include Executive Voting Directors and Executives with authority and responsibility for planning, directing and controlling the activities of MGL and its controlled entities (together making Executive KMP) and NEDs. MGL's NEDs are required by the Act to be included as KMP for the purposes of disclosures in the Remuneration Report. However, the NEDs do not consider themselves part of Management.

Name	Position	Term as KMP for FY2022
<b>Executive Voting Director</b>		
S.R. Wikramanayake	CEO	Full year
<b>Non-Executive Directors</b>		
J.R. Broadbent AC	Independent Director	Full year
G.M. Cairns	Independent Director	Ceased to be a member of the Board on 7 May 2021
P.M. Coffey	Independent Director	Full year
M.J. Coleman	Independent Director	Full year
D.J. Grady AO	Independent Director	Ceased to be a member of the Board on 24 February 2022
M.A. Hinchliffe	Independent Director	Appointed to the Board effective from 1 March 2022
R.J. McGrath	Independent Director	Full year
M. Roche	Independent Director	Full year
G.R. Stevens AC	Independent Director	Full year <sup>(30)</sup>
N.M. Wakefield Evans	Independent Director	Full year
P.H. Warne	Independent Chairman	Full year <sup>(31)</sup>
<b>Executives<sup>(32)</sup></b>		
G.N. Bruce	Incoming Head of LGG	Appointed to the Executive Committee on 2 March 2022
A. Cassidy	CRO, Head of RMG	Appointed to the Executive Committee on 1 January 2022
S. D. Green	Macquarie Bank CEO	Appointed to the Executive Committee on 1 July 2021
A.H. Harvey	CFO, Head of FMG	Full year
F. Herold	Head of Macquarie Capital Principal Finance	Ceased to be a member of the Executive Committee on 7 May 2021
N. O'Kane	Head of CGM	Full year
M.J. Reemst	Former Macquarie Bank CEO	Ceased to be a member of the Executive Committee on 30 June 2021
M.J. Silverton	Head of Macquarie Capital	Full year
N. Sorbara	COO, Head of COG	Full year
B. I. Way	Head of MAM	Full year
P.C. Upfold	Former CRO, Head of RMG	Ceased to be a member of the Executive Committee on 31 December 2021
G.C. Ward	Deputy Managing Director and Head of BFS	Full year
D. Wong	Former Co-Head of Macquarie Capital	Ceased to be a member of the Executive Committee on 29 October 2021

(30) Mr Stevens will become Chairman of the MGL and MBL Boards effective 10 May 2022.

(31) Mr Warne will retire as a Director and Chairman of the MGL and MBL Boards on 9 May 2022.

(32) Except where otherwise indicated, all of the Executives as well as the CEO were members of the Executive Committee as at 6 May 2022.

# Remuneration Report

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## Appendix 2: Executive KMP remuneration disclosure (in accordance with Australian Accounting Standards)

		SHORT-TERM EMPLOYEE BENEFITS			
			Salary (including superannuation) \$A	Performance related remuneration \$A	Total short-term employee benefits \$A
Name	Position	Year			
Executive Voting Director					
S.R. Wikramanayake	Macquarie Group CEO	2022	820,887	5,000,000	5,820,887
		2021	820,244	3,970,000	4,790,244
Other Executives					
A.H. Harvey	CFO, Head of FMG	2022	771,594	2,900,000	3,671,594
		2021	771,319	2,440,000	3,211,319
N. O’Kane <sup>(33)</sup>	Head of CGM	2022	723,321	14,200,000	14,923,321
		2021	816,732	10,198,800	11,015,532
M.J. Silvertown <sup>(34)</sup>	Head of Macquarie Capital	2022	705,436	6,456,000	7,161,436
		2021	724,676	1,650,000	2,374,676
N. Sorbara	COO, Head of COG	2022	771,594	2,900,000	3,671,594
		2021	771,319	2,440,000	3,211,319
G.C. Ward	Deputy Managing Director, Head of BFS	2022	771,594	3,600,000	4,371,594
		2021	771,319	3,220,000	3,991,319
Total Remuneration – Comparable Executive KMP <sup>(35)</sup>		2022	4,564,426	35,056,000	39,620,426
		2021	4,675,609	23,918,800	28,594,409
New and Former Executives and Executive Voting Directors					
G.N. Bruce <sup>(36)</sup>	Incoming Head of LGG	2022	190,267	261,900	452,167
		2021	-	-	-
A. Cassidy <sup>(37)</sup>	CRO, Head of RMG	2022	142,738	280,000	422,738
		2021	-	-	-
S.D. Green	Macquarie Bank CEO	2022	536,496	750,000	1,286,496
		2021	-	-	-
F. Herold <sup>(38)</sup>	Head of Macquarie Capital Principal Finance	2022	396,183	254,499	650,682
		2021	723,138	1,176,000	1,899,138
M.J. Reemst <sup>(39)</sup>	Former Macquarie Bank CEO	2022	192,337	-	192,337
		2021	771,319	1,508,000	2,279,319
M.S.W. Stanley <sup>(40)</sup>	Former Head of MAM	2022	-	-	-
		2021	710,608	7,548,692	8,259,300
P.C. Upfold <sup>(41)</sup>	Former CRO, Head of RMG	2022	581,327	1,960,000	2,541,327
		2021	771,319	2,440,000	3,211,319
B.I. Way	Head of MAM	2022	725,135	5,800,000	6,525,135
		2021	-	-	-
D. Wong <sup>(42)</sup>	Former Co-Head of Macquarie Capital	2022	2,755,447	-	2,755,447
		2021	4,675,126	471,476	5,146,602
Total Remuneration - Executive KMP (including new and former executives)		2022	10,084,356	44,362,399	54,446,755
		2021	12,327,119	37,062,968	49,390,087

(33) The movement in Mr O'Kane's fixed remuneration reflects an adjustment to his salary on relocation to Australia in FY2021 in line with other Executive KMP based in Australia.

(34) Mr Silvertown is paid in US dollars. His base salary for FY2022 differs to FY2021 due to exchange rate movements. As a US tax resident, Mr Silvertown's remuneration is subject to US social security and Medicare taxes, payable by Macquarie. Amounts of \$A72 thousand and \$A138 thousand were paid during FY2021 and FY2022, respectively, and are not included in Mr Silvertown's statutory remuneration.

(35) Comparable KMP are Executive KMP who are members of the Executive Committee for the full year in both FY2022 and FY2021.

(36) Ms Bruce was hired by Macquarie on 1 January 2022 and appointed to the Executive Committee on 2 March 2022. To secure Ms Bruce's appointment, the Board determined it was necessary and appropriate to provide competitive remuneration arrangements. This included awarding minimum profit share allocations of \$A654,750 and \$A2.619 million for the performance years ending 31 March 2022 and 2023, respectively. The profit share allocations will be subject to Macquarie's standard remuneration arrangements. Ms Bruce will also receive a minimum PSU allocation of face value \$A2.0 million for FY2023, subject to the performance hurdles and other conditions applicable to the PSU allocations awarded to other Executive Committee members. Remuneration amounts disclosed in the statutory remuneration table for Ms Bruce represent remuneration since her date of hire.

(37) Mr Cassidy, Mr Green and Mr Way were appointed to the Executive Committee on 1 January 2022, 1 July 2021 and 1 April 2021, respectively.

(38) Mr Herold ceased to be a member of the Executive Committee on 7 May 2021 but remains currently employed with Macquarie.

LONG-TERM EMPLOYEE BENEFITS			SHARE BASED PAYMENTS				Percentage of remuneration that consists of PSUs %
Restricted profit share \$A	Earnings on prior years' restricted profit share \$A	Total long-term employee benefits \$A	Equity awards \$A	PSUs \$A	Total share-based payments \$A	Total Remuneration \$A	
<b>2,000,000</b>	<b>1,401,253</b>	<b>3,401,253</b>	<b>11,654,512</b>	<b>2,841,726</b>	<b>14,496,238</b>	<b>23,718,378</b>	<b>12%</b>
1,588,000	(714,053)	873,947	9,465,702	837,375	10,303,077	15,967,268	5%
<b>435,000</b>	<b>136,239</b>	<b>571,239</b>	<b>3,597,080</b>	<b>1,693,434</b>	<b>5,290,514</b>	<b>9,533,347</b>	<b>18%</b>
366,000	(20,627)	345,373	3,427,751	1,011,290	4,439,041	7,995,733	13%
<b>2,130,000</b>	<b>422,132</b>	<b>2,552,132</b>	<b>12,857,404</b>	<b>2,057,261</b>	<b>14,914,665</b>	<b>32,390,118</b>	<b>6%</b>
1,529,820	(34,776)	1,495,044	11,044,704	1,281,745	12,326,449	24,837,025	5%
<b>968,400</b>	<b>131,612</b>	<b>1,100,012</b>	<b>4,404,025</b>	<b>1,281,464</b>	<b>5,685,489</b>	<b>13,946,937</b>	<b>9%</b>
385,000	(30,291)	354,709	3,700,814	840,647	4,541,461	7,270,846	12%
<b>435,000</b>	<b>136,432</b>	<b>571,432</b>	<b>3,599,870</b>	<b>1,713,380</b>	<b>5,313,250</b>	<b>9,556,276</b>	<b>18%</b>
366,000	(21,996)	344,004	3,404,577	297,673	3,702,250	7,257,573	4%
<b>1,080,000</b>	<b>381,019</b>	<b>1,461,019</b>	<b>4,408,060</b>	<b>2,084,601</b>	<b>6,492,661</b>	<b>12,325,274</b>	<b>17%</b>
966,000	(53,515)	912,485	4,309,959	303,992	4,613,951	9,517,755	3%
<b>7,048,400</b>	<b>2,608,687</b>	<b>9,657,087</b>	<b>40,520,951</b>	<b>11,671,866</b>	<b>52,192,817</b>	<b>101,470,330</b>	
5,200,820	(875,258)	4,325,562	35,353,507	4,572,722	39,926,229	72,846,200	
<b>39,285</b>	<b>-</b>	<b>39,285</b>	<b>25,831</b>	<b>66,261</b>	<b>92,092</b>	<b>583,544</b>	<b>11%</b>
-	-	-	-	-	-	-	-%
<b>42,000</b>	<b>3,174</b>	<b>45,174</b>	<b>139,954</b>	<b>113,512</b>	<b>253,466</b>	<b>721,378</b>	<b>16%</b>
-	-	-	-	-	-	-	-%
<b>112,500</b>	<b>19,704</b>	<b>132,204</b>	<b>581,267</b>	<b>345,580</b>	<b>926,847</b>	<b>2,345,547</b>	<b>15%</b>
-	-	-	-	-	-	-	-%
<b>62,743</b>	<b>24,721</b>	<b>87,464</b>	<b>547,784</b>	<b>134,915</b>	<b>682,699</b>	<b>1,420,845</b>	<b>10%</b>
274,400	(49,417)	224,983	2,970,895	1,350,459	4,321,354	6,445,475	21%
<b>-</b>	<b>27,423</b>	<b>27,423</b>	<b>4,118,505</b>	<b>1,259,090</b>	<b>5,377,595</b>	<b>5,597,355</b>	<b>22%</b>
226,200	(15,730)	210,470	4,874,638	584,132	5,458,770	7,948,559	7%
<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-%</b>
5,661,519	(1,136,619)	4,524,900	4,668,814	987,166	5,655,980	18,440,180	5%
<b>294,000</b>	<b>107,757</b>	<b>401,757</b>	<b>4,662,483</b>	<b>1,435,423</b>	<b>6,097,906</b>	<b>9,040,990</b>	<b>16%</b>
366,000	(26,558)	339,442	3,573,595	297,673	3,871,268	7,422,029	4%
<b>4,350,000</b>	<b>994,118</b>	<b>5,344,118</b>	<b>1,771,893</b>	<b>460,353</b>	<b>2,232,246</b>	<b>14,101,499</b>	<b>3%</b>
-	-	-	-	-	-	-	-%
<b>(2,913,498)</b>	<b>156,587</b>	<b>(2,756,911)</b>	<b>(4,529,854)</b>	<b>(1,284,251)</b>	<b>(5,814,105)</b>	<b>(5,815,569)</b>	<b>22%</b>
220,022	(123,691)	96,331	3,171,256	840,647	4,011,903	9,254,836	9%
<b>9,035,430</b>	<b>3,942,171</b>	<b>12,977,601</b>	<b>47,838,814</b>	<b>14,202,749</b>	<b>62,041,563</b>	<b>129,465,919</b>	
11,948,961	(2,227,273)	9,721,688	54,612,705	8,632,799	63,245,504	122,357,279	

(39) Ms Reemst ceased to be a member of the Executive Committee on 30 June 2021 and retired on 2 August 2021. As a result of her retirement, the outstanding amortisation related to her equity awards was accelerated resulting in further accounting amortisation of \$A4.1 million included in her FY2022 statutory remuneration.

(40) Mr Stanley ceased to be a member of the Executive Committee on 31 March 2021 and retired on 30 June 2021. As a result of his retirement, the outstanding amortisation related to his equity awards was accelerated resulting in accounting amortisation of \$17.2 million in FY2022.

(41) Mr Upfold ceased to be a member of the Executive Committee on 31 December 2021. He remains currently employed with Macquarie but intends to retire during FY2023. As a result of his intention to retire, the amortisation of his equity awards is being recognised over an accelerated vesting period. \$A3.2 million of his FY2022 statutory remuneration represents accelerated amortisation of equity awards, with further accounting amortisation being recognised of \$A5.2 million and \$A5.1 million in FY2022 and FY2023, respectively.

(42) Mr Wong ceased to be a member of the Executive Committee on 29 October 2021 and resigned from Macquarie effective 18 January 2022. In compliance with Macquarie's standard remuneration arrangements and as a result of his resignation, Mr Wong forfeited his unvested retained profit share and unvested PSUs. In accordance with accounting requirements this resulted in a reversal of previously recognised remuneration expense consisting of \$A2.9 million for forfeited retention notionally invested in Macquarie-managed fund equity and \$A5.8 million of amortisation for forfeited equity awards during FY2022.



# Remuneration Report

Continued

## Additional information regarding the statutory remuneration disclosures set out in this Appendix

The remuneration disclosures set out in this Appendix have been prepared in accordance with Australian Accounting Standards and differ to the additional disclosures set out on pages 117 to 125.

Under the requirements of AASB 124 *Related Party Disclosures*, the remuneration disclosures for the years ended 31 March 2022 and 31 March 2021 only include remuneration relating to the portion of the relevant periods that each person was an Executive KMP.

The following information provides more detail regarding some of the column headings in this Appendix:

- (1) *Short-term employee benefits:*
  - (a) *Salary:* includes salary, superannuation, any accrual for long service leave and other benefits
  - (b) *Performance-related remuneration:* this represents the cash portion of each person's profit share allocation for the reporting period as an Executive KMP.
- (2) *Long-term employee benefits:*
  - (a) *Restricted profit share:* this represents the amount of retained profit share awarded for the current period that is deferred to future periods and held as a notional investment in Macquarie-managed fund equity (DPS Plan)
  - (b) *Earnings on prior years' restricted profit share:* Profit share amounts retained under the DPS Plan are notionally invested in Macquarie-managed funds, providing Executive Directors with an economic exposure to the underlying investments. Executive Directors are each entitled to amounts equivalent to the investment earnings (dividends/distributions and security price appreciation) on the underlying securities. The notional returns are calculated based on Total Shareholder Return. Where these amounts are positive, they may be paid to Executive Directors and are included in these remuneration disclosures as part of 'Earnings on prior years' restricted profit share'. If there is a notional loss, this loss will be offset against any future notional income until the loss is completely offset and is reported as a negative amount in the same column. These earnings reflect the investment performance of the assets in which prior years' retained amounts have been notionally invested. Their inclusion in the individual remuneration disclosures on the previous pages may, therefore, cause distortions when year-on-year remuneration trends are examined. They do not reflect remuneration review decisions made about the individual's current year performance.
- (3) *Share-based payments:*
  - (a) *Equity awards including shares:* This represents the current year expense for retained profit share that is invested in Macquarie ordinary shares under the MEREP as described on pages 103 to 104. This is recognised as an expense over the respective vesting periods, or service period if shorter, as described on pages 103 to 104 and includes amounts relating to prior years equity awards that have been previously disclosed. Equity awards in respect of FY2022 performance will be granted during FY2023; however, Macquarie begins recognising an expense for these awards (based on an initial estimate) from 1 April 2021. The expense is estimated using the price of MGL ordinary shares as at 31 March 2022 and the number of equity awards expected to vest. In the following financial year, Macquarie will adjust the accumulated expense recognised for the final determination of the accounting fair value for each equity award when granted and will use this validation for recognising the expense over the remaining vesting period
  - (b) *PSUs:* This represents the current year expense for PSUs that is recognised over the vesting period as described on page 105. This includes amounts relating to prior years' PSU awards. PSU awards in respect of FY2022 will be granted during FY2023; however, Macquarie begins recognising an expense for these awards (based on an initial estimate) from 1 April 2021. The expense is estimated using the price of MGL ordinary shares as at 31 March 2022 and the number of PSUs expected to vest. The estimate also incorporates an interest rate to maturity of 2.91% per annum, expected vesting date of 1 July 2026, and a dividend yield of 3.63% per annum. In the following financial year, Macquarie will adjust the accumulated expense recognised for the final determination of the accounting fair value for each PSU when granted and will use this validation for recognising the expense over the remaining vesting period. Performance hurdles attached to the PSUs allow for PSUs to become exercisable upon vesting only when the relevant performance hurdles are met. The current year expense is reduced for previously recognised remuneration expense where performance hurdles have not been met, have been partially met or are not expected to be met.

## Appendix 3: Non-Executive Director remuneration

The remuneration arrangements for all the persons listed below as NEDs are described on pages 129 to 130 of the Remuneration Report. The fees shown include fees paid as members of both the MGL and MBL Boards.

	Year	Fees \$A	Other benefits <sup>(43)</sup> \$A	Total Compensation \$A
G.R. Banks <sup>(44)</sup>	2022	-	-	-
	2021	124,333	-	124,333
J.R. Broadbent	2022	394,875	-	394,875
	2021	361,333	-	361,333
G.M. Cairns <sup>(45)</sup>	2022	34,527	-	34,527
	2021	338,000	-	338,000
P.M. Coffey <sup>(46)</sup>	2022	392,708	-	392,708
	2021	373,000	-	373,000
M.J. Coleman	2022	431,375	12,000	443,375
	2021	413,000	10,000	423,000
D.J. Grady <sup>(47)</sup>	2022	351,554	-	351,554
	2021	373,000	-	373,000
M.J. Hawker <sup>(48)</sup>	2022	-	-	-
	2021	203,167	-	203,167
M.A. Hinchliffe <sup>(49)</sup>	2022	29,792	-	29,792
	2021	-	-	-
R.J. McGrath	2022	352,625	-	352,625
	2021	66,108	-	66,108
M. Roche	2022	352,625	-	352,625
	2021	66,108	-	66,108
G.R. Stevens <sup>(50)</sup>	2022	391,292	-	391,292
	2021	378,000	-	378,000
N.M. Wakefield Evans	2022	431,375	-	431,375
	2021	413,000	-	413,000
P.H. Warne	2022	923,750	-	923,750
	2021	890,000	-	890,000
<b>Total Remuneration - Non-Executive KMP</b>	2022	<b>4,086,498</b>	<b>12,000</b>	<b>4,098,498</b>
	2021	3,999,049	10,000	4,009,049

(43) Other benefits for NEDs include due diligence fees paid to Mr Coleman of \$A12,000 in FY2022 (FY2021: \$A10,000).

(44) Mr Banks ceased to be a member of the MGL and MBL Boards on 30 July 2020.

(45) Mr Cairns ceased to be a member of the MGL and MBL Boards on 7 May 2021.

(46) Mr Coffey was appointed Chair of the Board Risk Committee on 1 March 2022.

(47) Ms Grady ceased to be a member of the MGL and MBL Boards on 24 February 2022.

(48) Mr Hawker ceased to be a member of the MGL and MBL Boards on 30 September 2020.

(49) Ms Hinchliffe was appointed to the MGL and MBL Boards as an Independent Voting Director on 1 March 2022. She became a member of the Board Audit Committee, the Board Risk Committee and the Board Nominating Committee on 1 March 2022.

(50) Mr Stevens was Chairman of the Board Risk Committee until 1 March 2022. He continues to serve as a member of the Board Risk Committee.

# Remuneration Report

Continued

## Appendix 4: Share disclosures

### Shareholdings of KMP and their related parties

The following table sets out details of MGL ordinary shares held during the financial year by KMP including their related parties.

Name and position	Number of shares held at 1 April 2021 <sup>(51)</sup>	Shares received on withdrawal from the MEREP <sup>(52)</sup>	Other changes <sup>(53)</sup>	Number of shares held as at 31 March 2022 <sup>(54),(55)</sup>
<b>Executive Directors</b>				
S.R. Wikramanayake	945,793	61,366	-	<b>1,007,159</b>
<b>Non-Executive Directors</b>				
J.R. Broadbent	16,250	-	(188)	<b>16,062</b>
G.M. Cairns	12,734	-	-	<b>12,734</b>
P.M. Coffey	8,739	-	156	<b>8,895</b>
M.J. Coleman <sup>(56)</sup>	9,184	609	(138)	<b>9,655</b>
D.J. Grady	10,020	-	512	<b>10,532</b>
M.A. Hinchliffe	-	-	-	<b>-</b>
R.J. McGrath	349	-	1,861	<b>2,210</b>
M. Roche	2,000	-	156	<b>2,156</b>
G.R. Stevens	4,809	-	38	<b>4,847</b>
N.M. Wakefield Evans	7,111	-	156	<b>7,267</b>
P.H. Warne	14,933	-	-	<b>14,933</b>
<b>Executives</b>				
G.N. Bruce	-	-	-	<b>-</b>
A. Cassidy	18	-	-	<b>18</b>
S.D. Green	50	-	182	<b>232</b>
A.H. Harvey	24,687	30,061	(25,905)	<b>28,843</b>
F. Herold	-	-	-	<b>-</b>
N. O'Kane	4,840	79,322	(77,776)	<b>6,386</b>
M.J. Reemst	81,331	17,649	-	<b>98,980</b>
M.J. Silverton	19,802	32,536	(32,536)	<b>19,802</b>
N. Sorbara	9,384	32,621	(32,621)	<b>9,384</b>
P.C. Upfold	75,151	38,585	(38,585)	<b>75,151</b>
G.C. Ward	-	45,428	(45,428)	<b>-</b>
B.I. Way	-	8,562	(4,387)	<b>4,175</b>
D. Wong	168	101,612	(93,988)	<b>7,792</b>

(51) Or date of appointment if later.

(52) For RSUs, this represents RSUs vesting during the current financial year. For DSUs, this represents vested DSUs exercised during the current financial year.

(53) Includes on market acquisitions and disposals.

(54) Or date of ceasing to be a KMP if earlier.

(55) In addition to the MGL ordinary shares set out in this table, Executive KMP also hold an interest in MGL ordinary shares through the MEREP, as set out in the table in page 141.

(56) A related party of Mr Coleman holds RSU awards, some of which vested during the year. Mr Coleman does not influence any investment decisions over, nor does he benefit from, this holding.

## RSU and DSU awards to KMP

The following table sets out details of the RSU and DSU awards associated with Macquarie equity granted to Executive KMP. Grants made to Executive KMP prior to their joining the Executive Committee are not disclosed. PSUs are disclosed in a separate table.

A significant portion of an Executive KMP's retained profit share is invested in Macquarie equity, delivered as RSUs or DSUs. RSUs are units comprising a beneficial interest in Macquarie ordinary shares held in a trust for the staff member. DSUs are structured to provide the holder with the same benefits and risks of RSU holders. For further details, refer to Note 32 *Employee equity participation* to the financial statements in the Financial Report. There have been no alterations to the terms or conditions of the grants set out below since the grant date. RSU and DSU awards are subject to forfeiture as set out on page 104. The maximum potential value of unvested awards could vary significantly and is dependent on the MGL ordinary share price at the time of vesting. Retention rates, the vesting profiles and service and performance criteria for the current year are set out on pages 103 to 104. RSUs and DSUs are granted in the financial year following the year of Macquarie's performance to which the grant relates. For example, RSUs and DSUs granted to KMP in June 2021 relate to their performance in FY2021. All awards that were eligible to vest, vested during the year. No awards were forfeited during the year.

Name and position	RSU/DSU awards granted to date <sup>(57)</sup>	Grant date	Number vested/exercised during the year <sup>(58)</sup>
<b>Executive Director</b>			
S.R. Wikramanayake	<b>94,193</b>	<b>03-Aug-21</b>	<b>-</b>
	139,266	04-Aug-20	-
	65,003	15-Aug-19	-
	49,162	21-Jun-18	9,832
	49,025	22-Jun-17	9,805
	54,473	17-Jun-16	10,894
	42,608	06-Jul-15	8,521
	47,019	25-Jun-14	8,036
<b>Executives</b>			
A.H. Harvey	<b>21,709</b>	<b>09-Jun-21</b>	<b>-</b>
	45,661	09-Jun-20	-
	25,945	24-Jun-19	-
	27,009	21-Jun-18	5,401
F. Herold	<b>51,418</b>	<b>09-Jun-20</b>	<b>-</b>
	33,150	24-Jun-19	-
N. O'Kane	<b>89,324</b>	<b>09-Jun-21</b>	<b>-</b>
	148,994	09-Jun-20	-
	91,106	24-Jun-19	-
M.J. Reemst	61,902	21-Jun-18	12,380
	<b>13,417</b>	<b>09-Jun-21</b>	<b>-</b>
	31,962	09-Jun-20	-
	18,831	24-Jun-19	-
	18,906	21-Jun-18	3,781
	21,229	22-Jun-17	4,245
	18,787	17-Jun-16	3,757
	14,810	06-Jul-15	2,962
M.J. Silverton	<b>21,836</b>	<b>09-Jun-21</b>	<b>-</b>
	37,375	09-Jun-20	-
	37,138	24-Jun-19	-

(57) Or during the period that the Executive was a KMP.

(58) For RSUs, this represents RSUs vesting during the current financial year in respect of grants made while a KMP. For DSUs, this represents vested DSUs exercised during the current financial year in respect of grants made while a KMP. Grants made prior to Executives becoming a KMP are not disclosed.

# Remuneration Report

Continued

Name and position	RSU/DSU awards granted to date <sup>(57)</sup>	Grant date	Number vested/exercised during the year <sup>(58)</sup>
N. Sorbara	<b>21,709</b>	<b>09-Jun-21</b>	-
	45,661	09-Jun-20	-
	25,945	24-Jun-19	-
	27,009	21-Jun-18	5,401
	26,967	22-Jun-17	5,393
	25,049	17-Jun-16	5,009
	18,512	06-Jul-15	3,702
	17,105	25-Jun-14	3,042
P.C. Upfold	<b>21,709</b>	<b>09-Jun-21</b>	-
	45,661	09-Jun-20	-
	25,945	24-Jun-19	-
	27,009	21-Jun-18	5,401
	32,131	22-Jun-17	6,426
	33,399	17-Jun-16	6,679
	26,446	06-Jul-15	5,289
B.I. Way	<b>8,877</b>	<b>09-Jun-21</b>	-
G.C. Ward	<b>25,466</b>	<b>09-Jun-21</b>	-
	57,499	09-Jun-20	-
	31,618	24-Jun-19	-
	33,211	21-Jun-18	6,642
	40,801	22-Jun-17	8,160
	32,445	17-Jun-16	6,489
	26,446	06-Jul-15	5,289
	31,696	25-Jun-14	4,850
D. Wong <sup>(59)</sup>	<b>19,006</b>	<b>09-Jun-21</b>	-
	51,976	09-Jun-20	-
	42,258	24-Jun-19	17,391

(59) On 9 June 2021 and 24 June 2019, Mr Wong was granted 3,130 and 13,247 Material Risk Taker Available awards, respectively, which vested on the acquisition date of the awards and were subject to a 12-month non-disposal period. These awards represented 50% of his available profit share, as discussed on page 103, footnote 5, and were a requirement under the UK regulations (the UK Remuneration Code implementing CRD IV). During the current year, Mr Wong exercised the 13,247 awards granted in 2019. The awards granted in 2021 have not been exercised.

## PSU awards to KMP

The following table sets out details of PSU awards granted to Executive KMP.

Name and position	GRANTED TO DATE				FORFEITED/LAPSED DURING THE FINANCIAL YEAR <sup>(60)</sup>			EXERCISED DURING THE FINANCIAL YEAR <sup>(60)</sup>	
	Number	Date	Accounting Fair Value \$A <sup>(61)</sup>	Face Value \$A <sup>(62)</sup>	Number	%	Value \$A <sup>(63)</sup>	Number exercised	Value \$A <sup>(64)</sup>
<b>Executive Directors</b>									
S.R. Wikramanayake	<b>20,278</b>	<b>03-Aug-21</b>	<b>2,718,063</b>	<b>3,164,585</b>	-	-	-	-	-
	32,575	04-Aug-20	3,423,307	4,079,693	-	-	-	-	-
	34,198	15-Aug-19	3,385,267	4,035,364	-	-	-	-	-
	23,561	15-Aug-18	2,466,207	2,956,906	5,890	25%	921,373	5,890	925,378
	33,552	15-Aug-17	2,449,276	2,944,524	8,388	25%	1,312,135	8,388	1,323,626
<b>Executives</b>									
A.H. Harvey	<b>14,195</b>	<b>03-Aug-21</b>	<b>1,902,698</b>	<b>2,215,272</b>	-	-	-	-	-
	16,223	04-Aug-20	1,704,875	2,031,769	-	-	-	-	-
	17,032	15-Aug-19	1,686,001	2,009,776	-	-	-	-	-
	16,624	15-Aug-18	1,740,089	2,086,312	4,156	25%	650,123	4,156	650,227
F. Herold	<b>22,994</b>	<b>04-Aug-20</b>	<b>2,416,439</b>	<b>2,879,769</b>	-	-	-	-	-
	24,139	15-Aug-19	2,389,524	2,848,402	-	-	-	-	-
N. O'Kane	<b>14,195</b>	<b>03-Aug-21</b>	<b>1,902,698</b>	<b>2,215,272</b>	-	-	-	-	-
	22,994	04-Aug-20	2,416,439	2,879,769	-	-	-	-	-
	24,139	15-Aug-19	2,389,524	2,848,402	-	-	-	-	-
	23,561	15-Aug-18	2,466,207	2,956,906	5,890	25%	921,373	5,890	924,141
M.J. Reemst	<b>16,223</b>	<b>04-Aug-20</b>	<b>1,704,875</b>	<b>2,031,769</b>	-	-	-	-	-
	17,032	15-Aug-19	1,686,001	2,009,776	-	-	-	-	-
	16,624	15-Aug-18	1,740,089	2,086,312	4,156	25%	650,123	-	-
	23,673	15-Aug-17	1,728,115	2,077,542	5,919	25%	925,909	-	-
M.J. Silvertown	<b>14,195</b>	<b>03-Aug-21</b>	<b>1,902,698</b>	<b>2,215,272</b>	-	-	-	-	-
	22,994	04-Aug-20	2,416,439	2,879,769	-	-	-	-	-
N. Sorbara	<b>14,195</b>	<b>03-Aug-21</b>	<b>1,902,698</b>	<b>2,215,272</b>	-	-	-	-	-
	16,223	04-Aug-20	1,704,875	2,031,769	-	-	-	-	-
	17,032	15-Aug-19	1,686,001	2,009,776	-	-	-	-	-
	16,624	15-Aug-18	1,740,089	2,086,312	4,156	25%	650,123	4,156	653,084
	23,673	15-Aug-17	1,728,115	2,077,542	5,919	25%	925,909	5,918	930,122

(60) Or during the period for which the Executive was a KMP if shorter.

(61) Based on the accounting fair value on the date of grant.

(62) Face value is calculated by multiplying the number of PSUs granted by the closing market price of Macquarie ordinary shares on the date of grant.

(63) Based on closing share price at 30 June 2021, being the day the PSUs were forfeited.

(64) Based on the share price at the time of exercise.

# Remuneration Report

Continued

Name and position	GRANTED TO DATE				FORFEITED/LAPSED DURING THE FINANCIAL YEAR <sup>(65)</sup>			EXERCISED DURING THE FINANCIAL YEAR <sup>(65)</sup>	
	Number	Date	Accounting Fair Value \$A <sup>(66)</sup>	Face Value \$A <sup>(67)</sup>	Number	%	Value \$A <sup>(68)</sup>	Number exercised	Value \$A <sup>(69)</sup>
P.C. Upfold	<b>14,195</b>	<b>03-Aug-21</b>	<b>1,902,698</b>	<b>2,215,272</b>	-	-	-	-	-
	16,223	04-Aug-20	1,704,875	2,031,769	-	-	-	-	-
	17,032	15-Aug-19	1,686,001	2,009,776	-	-	-	-	-
	16,624	15-Aug-18	1,740,089	2,086,312	4,156	25%	650,123	4,156	654,406
	23,673	15-Aug-17	1,728,115	2,077,542	5,919	25%	925,909	5,918	931,004
G.C. Ward	<b>14,195</b>	<b>03-Aug-21</b>	<b>1,902,698</b>	<b>2,215,272</b>	-	-	-	-	-
	22,994	04-Aug-20	2,416,439	2,879,769	-	-	-	-	-
	24,139	15-Aug-19	2,389,524	2,848,402	-	-	-	-	-
	23,561	15-Aug-18	2,466,207	2,956,906	5,890	25%	921,373	5,890	918,705
	32,434	15-Aug-17	2,367,663	2,846,408	8,109	25%	1,268,491	8,108	1,265,146
D. Wong	<b>14,195</b>	<b>03-Aug-21</b>	<b>1,902,698</b>	<b>2,215,272</b>	-	-	-	-	-
	22,994	04-Aug-20	2,416,439	2,879,769	-	-	-	-	-

As required under the Act, Macquarie has adopted the fair value measurement provisions of AASB 2 *Share-Based Payment* for all PSUs granted to KMP. The accounting fair value of such grants is being amortised and disclosed as part of each KMP's remuneration on a straight-line basis over the vesting period. The 2021 PSU allocation has been determined based on a face value methodology. The accounting fair value of \$A134.04 at this date has been estimated using a discounted cash flow method.

The following key assumptions were adopted in determining the value of the PSUs granted:

Interest rate to maturity	0.5291% per annum
Expected vesting dates	1 July 2025
Dividend yield	3.73% per annum

PSUs have a nil exercise price. PSUs awarded from FY2020 vest in four years as set out on page 105 while PSUs awarded prior to FY2020 vest on a pro-rata basis as set out on page 105, footnote 9. For the 2021 grant, it will vest on 1 July 2025. The PSUs expire on 3 August 2030.

(65) Or during the period for which the Executive was a KMP if shorter.

(66) Based on the accounting fair value on the date of grant.

(67) Face value is calculated by multiplying the number of PSUs granted by the closing market price of Macquarie ordinary shares on the date of grant.

(68) Based on closing share price at 30 June 2021, being the day the PSUs were forfeited.

(69) Based on the share price at the time of exercise.



## MEREP awards of KMP and their related parties

The following tables set out details of the MEREP RSU, DSU and PSU awards held during the year for the KMP including their related parties.



Further details in relation to the MEREP RSU, DSU and PSU awards are disclosed in Note 32 *Employee equity participation* to the financial statements in the Financial Report

Name and position	Type of Award	Number of Awards held at 1 April 2021 <sup>(70)</sup>	Awards granted during the financial year <sup>(71)</sup>	Awards vested/ exercised during the financial year <sup>(72),(73)</sup>	Awards forfeited or not able to be exercised during the financial year <sup>(74)</sup>	Number of Awards held as at 31 March 2022 <sup>(75)</sup>
<b>Executive Director</b>						
S.R. Wikramanayake	RSU	350,417	94,193	(47,088)	-	<b>397,522</b>
	PSU	107,110	20,278	(14,278)	(14,278)	<b>98,832</b>
<b>Executives</b>						
G.N. Bruce	RSU	947	-	-	-	<b>947</b>
A. Cassidy	RSU	11,782	-	-	-	<b>11,782</b>
S.D. Green	RSU	27,951	-	-	-	<b>27,951</b>
A.H. Harvey	RSU	149,624	21,709	(25,905)	-	<b>145,428</b>
	PSU	49,879	14,195	(4,156)	(4,156)	<b>55,762</b>
F. Herold <sup>(76)</sup>	DSU	66,816	-	-	-	<b>66,816</b>
	RSU	62,930	-	-	-	<b>62,930</b>
	PSU	47,133	-	-	-	<b>47,133</b>
N. O'Kane	RSU	445,130	89,324	(73,432)	-	<b>461,022</b>
	PSU	70,694	14,195	(5,890)	(5,890)	<b>73,109</b>
M.J. Reemst	RSU	106,784	13,417	(17,649)	-	<b>102,552</b>
	PSU	61,716	-	-	(10,075)	<b>51,641</b>
M.J. Silverton	RSU	139,735	21,836	(32,536)	-	<b>129,035</b>
	PSU	22,994	14,195	-	-	<b>37,189</b>
N. Sorbara	RSU	145,668	21,709	(22,547)	-	<b>144,830</b>
	PSU	61,716	14,195	(10,074)	(10,075)	<b>55,762</b>
P.C. Upfold	RSU	159,656	21,709	(28,511)	-	<b>152,854</b>
	PSU	61,716	14,195	(10,074)	(10,075)	<b>55,762</b>
G.C. Ward	RSU	189,865	25,466	(31,430)	-	<b>183,901</b>
	PSU	86,911	14,195	(13,998)	(13,999)	<b>73,109</b>
B.I. Way	RSU	51,477	8,877	(8,562)	-	<b>51,792</b>
D. Wong <sup>(76)</sup>	DSU	224,841	19,006	(101,612)	-	<b>142,235</b>
	PSU	22,994	14,195	-	-	<b>37,189</b>

(70) Or date of appointment if later.

(71) RSU and DSU awards are granted in the financial year following the year of the Company's performance to which the grant relates. RSUs and DSUs disclosed as granted above relate to FY2021. PSUs are granted annually in August. RSU and PSU awards granted to the CEO, who is an Executive Voting Director, were approved by shareholders at the 2021 AGM as required under ASX Listing Rule 10.14.

(72) For RSUs, this represents vested RSUs transferred to the KMP's shareholding and includes RSUs vesting during the current year in respect of all grants, including those made prior to Executives becoming a KMP. For DSUs, this represents vested DSUs exercised during the current period in respect of all grants, including those made prior to Executives becoming a KMP.

(73) There were no PSUs that vested during the year that were not exercised.

(74) Or during the period for which the Executive was a KMP if shorter.

(75) Or date of ceasing to be a KMP if earlier.

(76) DSUs are granted in jurisdictions where legal or tax rules make the grant of RSUs impractical. DSUs are structured to provide the holder with the same benefits and risks of RSU holders.

# Remuneration Report

Continued

## Appendix 5: Loan disclosures

### Loans to Key Management Personnel and their related parties

Details of loans provided by Macquarie to KMP and their related parties are disclosed in the following table.

Name and Position	Balance as at 1 April 2021 <sup>(77)</sup> \$A'000	Interest charged \$A'000	Write downs \$A'000	Balance as at 31 March 2022 <sup>(78)</sup> \$A'000	Highest balance during the year \$A'000
<b>Non-Executive Directors</b>					
D.J. Grady (related party)	468	17	–	459	468
N.M. Wakefield Evans (related party)	4,800	63	–	4,638	4,800
P.H. Warne (related party)	456	7	–	441	456
<b>Executives</b>					
A. Cassidy	3,696	21	–	3,671	3,696
A.H. Harvey	5,500	32	–	8,000	8,000
M.J. Silverton	208	6	–	192	208
Aggregate of KMP and related party loans <sup>(79)</sup>	15,129	146	–	17,402	17,629

This Remuneration Report has been prepared in accordance with the Act. The Remuneration Report contains disclosures as required by AASB 124 *Related Party Disclosures* as permitted by Corporations Regulation 2M.3.03 *Prescribed details*.

Throughout this Remuneration Report financial information for Macquarie relating to the years ended 31 March 2013 through to 31 March 2022 has been presented in accordance with Australian Accounting Standards. Compliance with Australian Accounting Standards ensures compliance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

(77) Or date of appointment if later.

(78) Or date of ceasing to be a KMP if earlier.

(79) The aggregate of KMP and related party loans includes loans to KMP (including their related parties) and the table above details KMP (including their related parties) with loans above \$100,000 during FY2022. All loans provided by Macquarie to KMP are made in the ordinary course of business on an arm's length basis and are entered into under normal terms and conditions consistent with other customers and employees. There have been no write-downs or allowances for doubtful debts.