



**Significant oversight and judgement are applied to ensure remuneration outcomes are aligned with both individual and company-wide financial and non-financial performance and with outcomes delivered to our shareholders, clients and the communities in which we operate.”**

**Letter from the**

# Chair of the Board Remuneration Committee

On behalf of the Board, I am pleased to present the 2023 Remuneration Report as Chair of the Board Remuneration Committee (BRC).

The 2023 financial year (FY2023) was one of continued global economic and political uncertainty, resulting in a challenging macroeconomic environment. Against this backdrop, Macquarie's businesses have performed well, reflecting the strength of our strategy, the diversity of our activities and an ongoing focus on prudent risk management. Guided by our core purpose of 'empowering people to innovate and invest for a better future' and our *What We Stand For* principles, Macquarie teams have delivered positive outcomes for all stakeholders.

To ensure we can continue to deliver for our clients, grow our businesses and identify new opportunities, the attraction and retention of exceptional people is a key part of our strategy. The last 12 months has continued to be a period of increased recruitment and hybrid working, requiring an ongoing focus on maintaining and developing our culture and innovation. Our approach to remuneration plays an important role in doing this. Our framework supports our purpose by motivating staff to be innovative and build businesses but also be accountable for their decisions, behaviours and associated risk management, customer, economic and reputational consequences.

## **Performance and remuneration outcomes for FY2023**

The Board remains focussed on ensuring there is a robust and rigorous process in place to determine individual and company-wide remuneration outcomes. Significant oversight and judgement are applied to ensure remuneration outcomes are aligned with both individual and company-wide financial and non-financial performance and with outcomes delivered to our shareholders, clients and the communities in which we operate.

The Board has spent considerable time assessing performance and determining remuneration outcomes for the CEO and Executive Key Management Personnel (Executive KMP). The Board has considered a range of factors critical to Macquarie's ongoing success. This includes considering the financial results of Macquarie overall and each Operating Group, as well as key non-financial considerations, some of which are set out below.

### **Financial performance**

Macquarie delivered record financial results and strong returns to shareholders in FY2023. This resulted in:

- net profit after tax (NPAT) is up 10% compared to FY2022
- return on equity (ROE) of 16.9% is down compared to FY2022's 18.7%
- earnings per share (EPS) of 1,353.7 cents per share is up 6% compared to FY2022
- the FY2023 full-year dividend is up 21% compared to FY2022.

## Non-financial performance

The Board's determination of remuneration outcomes for FY2023 for the CEO and other Executive KMP also reflects the following non-financial factors:

- the diversification of the four Operating Groups and the strength of the underlying franchises, which have seen the successful navigation through COVID-19 and an uncertain external environment
- the strong leadership of the Executive Committee, led by the CEO, to effectively role model our purpose and principles and to embed a strong risk culture
- the delivery of strong outcomes for our communities addressing areas of unmet community need including progress on ESG measures that are critical to maintaining our social licence to operate
- the investment in our operating platform and reinforcement of the importance of long-term solutions to support our growth
- an ongoing focus on Macquarie's Diversity, Equity and Inclusion (DEI) strategy including the launch of our inaugural Reconciliation Action Plan (RAP) in Australia
- an ongoing focus to enhance financial and non-financial risk capabilities and frameworks to ensure they are fit for purpose and support changes in the internal and external environment, including emerging risks in areas such as climate, sustainability and technology
- significant progress and continued investment in regulatory engagements, prudential compliance, regulatory reporting, and governance including progress against the remediation program with APRA to ensure there is appropriate focus on Macquarie Bank Limited (MBL).

## Remuneration outcomes

Through a challenging economic and market environment, we have given careful consideration of both financial and non-financial factors and we believe the following outcomes for the year are appropriate:

- MGL CEO awarded profit share has increased 28% on the prior year to \$A32.0 million, which considers her sustained strong performance and the aggregate growth that she has led over multiple years as the MGL CEO
- MBL CEO awarded profit share of \$A3.5 million, reflecting his first full year in the role
- total Executive KMP awarded profit share of \$A151.6 million (up 22% on the prior year)
- Performance Share Unit (PSU) allocations of \$A4.0 million for the MGL CEO and \$A2.8 million for each Executive KMP.

## Link between risk, culture and remuneration

Our purpose and core principles of Opportunity, Accountability and Integrity 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 Board recognises the importance of continually assessing Macquarie's culture both formally through Board reporting as well as through direct interactions with staff.

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 FY2023, there were 129 (FY2022: 82) matters involving conduct or policy breaches that resulted in formal consequences. Consistent with prior years, further details regarding these matters are disclosed on page 117.

## Changes to the FY2024 remuneration framework

As set out in the 2022 Remuneration Report, the Board reviewed all structural components of the remuneration framework, taking into account a range of perspectives including those of shareholders and regulators, as well as global peer group benchmarking and the ongoing global competition for talent in many of Macquarie's areas of activity. The Board approved several changes to fine-tune our remuneration framework, which are being implemented in a phased approach. The revised remuneration arrangements remain consistent with our remuneration principles and objectives, while responding to a broad range of stakeholder expectations, including APRA's new Prudential Standard CPS 511 *Remuneration* (CPS 511), which came into effect on 1 January 2023.

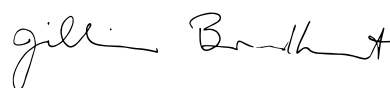
The key structural changes for FY2024 are set out in the relevant sections of the report.

## Regulatory environment

Macquarie has continued to engage proactively with APRA on the implementation of CPS 511, to ensure our remuneration framework meets both the spirit and intent of the new prudential standard and remains fit for purpose. As set out above, the changes to our remuneration framework will ensure compliance with CPS 511 for FY2024. We have also engaged with APRA in respect of the proposed new disclosure and reporting requirements.

Macquarie continues to ensure there is appropriate focus on MBL. As part of this we have ensured that the MBL remuneration framework, consistent with the objectives of the framework applied across Macquarie, supports the best interests of MBL in the oversight, design and determination of remuneration outcomes for MBL. This has resulted in changes to MBL's remuneration governance arrangements including the establishment of an MBL BRC in June 2022. For more details, see the MBL Remuneration Report in the MBL Annual Report, available on the Macquarie website.

I look forward to receiving your views and support at the 2023 Annual General Meeting.



**Jillian Broadbent**  
Chair  
Board Remuneration Committee

Sydney  
5 May 2023

# Remuneration report

## 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.

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 outcomes.

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 and retain world-class people in 34 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.

<p>Our purpose:</p> <h3>Empowering people to innovate and invest for a better future</h3>		
 <p><b>Opportunity</b></p>	 <p><b>Accountability</b></p>	 <p><b>Integrity</b></p>
 <p>Remuneration objectives</p>	 <p>Remuneration principles</p>	
<p>Macquarie's remuneration framework is designed to:</p> <ul style="list-style-type: none"> <li>attract, motivate and retain exceptional people with deep industry expertise</li> <li>deliver strong company performance over the short and long-term whilst prudently managing risk</li> <li>promote effective management of financial and non-financial risks, and Macquarie's long-term soundness</li> <li>align the interests of staff and shareholders to deliver sustained results for our customers, clients and community</li> <li>promote innovation and the building of sustainable businesses</li> <li>drive behaviours that reflect Macquarie's culture and the principles of <i>What We Stand For</i> and support the prevention and mitigation of conduct risk</li> <li>foster a diverse, equitable and inclusive work environment.</li> </ul>	<p>These objectives are achieved by:</p> <ul style="list-style-type: none"> <li>emphasising performance-based remuneration</li> <li>determining an individual's variable remuneration based on a range of financial and non-financial factors</li> <li>retaining a significant proportion of performance-based remuneration to enable risk outcomes to be considered over a longer period</li> <li>delivering retained profit share in equity to ensure the interests of staff and shareholders are aligned over the long-term</li> <li>remunerating high-performing staff appropriately, relative to global peers</li> <li>providing consistent arrangements over time to give staff the confidence to pursue multi-year initiatives.</li> </ul>	

## Remuneration framework for FY2023

The remuneration framework operates 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).

The table below summarises the framework for FY2023.

FY2023 remuneration framework		
Fixed remuneration		
	<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 is 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 revenue-generating staff.</li> </ul>	
Performance-based remuneration		
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/business performance</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</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 (up to 80% for the CEO and 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) with no exercise price<sup>(1)</sup></li> <li>PSU holders have 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 (MEREPE). For further details, refer to Note 32 *Employee equity participation* to the financial statements in the Financial Report.

# Remuneration Report

Continued

## Remuneration framework for FY2024

The Board periodically 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. As set out in the 2022 Remuneration Report, the Board undertook a holistic review of all structural components of the remuneration framework to address both regulatory requirements under APRA's Prudential Standard CPS 511 *Remuneration* (CPS 511) and the evolving expectations of our stakeholders.

As part of this review, the Board 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 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.

A detailed summary of the Board-approved changes to the remuneration framework was set out on pages 99 to 100 of the 2022 Annual Report. These changes are being implemented in a phased approach for FY2023 and FY2024 and are referenced where relevant throughout the following sections.

## Profit share

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

### Annual process to determine profit share outcomes

Profit share allocations are based on realised outcomes and are determined through a principles-based approach, which considers individual, business group and company-wide performance. At all levels, profit share determinations take into account risk management, compliance and conduct.

### 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 or Central Service Group specific goals and objectives
- **How** the objectives were achieved, demonstrating the cultural/behavioural expectations as set out in Macquarie's *Code of Conduct*.

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

The below table outlines the definition of each factor and considerations for assessing performance and determining remuneration outcomes.

Areas considered	
<b>Financial/ business results</b>	<ul style="list-style-type: none"> <li>• for revenue-generating staff, based on individual contribution to business profitability (including consideration of capital and risk-adjusted returns)</li> <li>• for risk and financial control roles, primarily based on delivery of or contribution to high quality risk and control functions</li> <li>• for other staff, based on their delivery of or contribution to 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 identification, escalation, ownership and management of financial and non-financial risks</li> <li>• motivating a culture of disciplined risk management, and regulatory, policy and business compliance</li> <li>• fostering an environment where staff feel comfortable to raise issues or concerns</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>• sustainable business growth and innovation</li> <li>• delivering appropriate solutions and services to our customers and the communities in which we operate</li> <li>• relationship with external and internal stakeholders, including regulators, customers and clients</li> <li>• seeking out and valuing collaboration and diverse perspectives (internally and externally).</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>• talent development and succession planning</li> <li>• fostering a diverse, equitable and inclusive work environment, including performance against a mandatory objective on Diversity, Equity and Inclusion (DEI) aligned to Macquarie's DEI strategy</li> <li>• for all people managers, performance against a people management objective aligned to our purpose and culture.</li> </ul>

Three of these four factors are non-financial, with considerations given to each in varying proportions to reflect an individual's role and responsibilities. Individual profit share allocations also consider relativities in the market in which each business competes for talent.

When determining individual profit share allocations, consideration is given to any matters raised in the independent reports provided to the BRC by the Chief Risk Officer (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 117). Significant judgement is applied in determining remuneration outcomes to ensure all factors that may potentially impact the quantum of profit share allocations are considered.

# Remuneration report

Continued

## 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 group and individual level.

The profit share pools reflect consideration of the factors below.

Operating/Central Service Group Level			
<p><b>Financial performance</b></p> <p>For Operating Groups:</p> <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> <p>For Central Service Groups:</p> <ul style="list-style-type: none"> <li>based on the quality and integrity of control functions and support services</li> <li>are not primarily determined with reference to profitability.</li> </ul>	<p><b>Risk management</b></p> <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>	<p><b>Business-specific considerations</b></p> <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>	<p><b>Market position and trends</b></p> <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			
<p>Additional considerations at a Macquarie Group and Macquarie Bank level include:</p> <ul style="list-style-type: none"> <li>profitability, including the balance of profit distribution between employees and shareholders</li> <li>capital metrics (including prudential ratios) and liquidity considerations</li> <li>impact of the profit share pool on Macquarie's capital position and the 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 its ability to attract and retain high-performing staff</li> <li>CRO and Head of Internal Audit 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. 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>(2)</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 a longer period.

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) and, from FY2024, CPS 511). For each year's allocation, once the vesting period has been determined it remains fixed for that allocation.

As explained in the 2022 Remuneration Report, to address both regulatory requirements under CPS 511 and the evolving expectations of our stakeholders, the Board undertook a holistic review of all structural components of the remuneration framework. One of the key changes was that retention rates and vesting periods will be reduced for certain senior employees (including the CEO, Executive KMP and Designated Executive Directors) for profit share allocations made in respect of FY2024 onwards. These changes reflect that under CPS 511, Macquarie will no longer be able to release unvested awards on retirement or redundancy for such employees over a two-year period (see page 111). Awards will instead be kept on their original vesting schedule (up to five years). The new retention rates and vesting periods remain long enough to appropriately consider the time horizons of risk, and will meet or exceed both the minimum requirement under CPS 511 and the deferral arrangements of many of Macquarie's global comparators.

The table below summarises the standard retention and vesting arrangements applicable for FY2023 and FY2024. These vesting periods do not include the performance year but begin following the date remuneration is awarded.

### Standard profit share retention and vesting arrangements for FY2023 and FY2024

Role	FY2023		FY2024	
	Profit share retention (%)	Vesting and release of profit share <sup>(3)</sup>	Profit share retention (%)	Vesting and release of profit share <sup>(3)</sup>
CEO	80		70	
MBL CEO	60	One-fifth in each of years 3-7	60	One-third in each of years 3-5
Executive Committee members	60		50	
Designated Executive Directors <sup>(4)</sup>	50		40	
Executive Directors	40	One-third in each of years 3-5	40	
Staff other than Executive Directors <sup>(5)</sup>	25-60	One-third in each of years 2-4	25-60	One-third in each of years 2-4

The Board's discretion to change remuneration arrangements, as noted above, includes changes to profit share retention levels provided that at least 30% of profit share is retained for all Executive Directors. For FY2023, the Board exercised such discretion to increase the Head of CGM's retention rate to 70%.

(2) 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 either a 6-month or 12-month hold period, as applicable.

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

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

(5) Above certain monetary thresholds.



# Remuneration report

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## Investment of retained profit share

An individual's retained profit share is invested in a combination of MGL 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>(6)</sup> The allocation reflects the nature of their role and responsibilities as set out in the table below.

### Standard investment of retained profit share for FY2023

Role	Retained profit share investment	
	MEREP (MGL ordinary shares) %	DPS Plan (Macquarie-managed fund equity) %
MGL CEO and MBL CEO	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 <sup>(8)</sup>	25	75
Staff other than Executive Directors <sup>(9)</sup>	100	0

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, and only with the approval of the BRC, retained profit share may be allocated under arrangements other than the MEREP or the DPS Plan. 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 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 116. For certain employees identified under European remuneration regulations, the Board also has the ability to recover (in whole or in part) vested profit share in certain circumstances (clawback). For changes to Macquarie's malus and clawback framework from FY2024, see page 116.

## Vesting and release of retained profit share upon departure from Macquarie

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

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 four executives due to the transfer of their employment during FY2023 to an operationally segregated subsidiary or to a portfolio company of a Macquarie-managed fund.

(6) 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 MGL 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.

(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 certain Executive Directors with funds responsibilities subject to European remuneration regulations, retained profit share is invested 50% in Macquarie equity and 50% in the DPS Plan.

(9) 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.

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

Where discretion has been exercised for the vesting and release of retained profit share to a departing Executive Director, the Board may reduce or eliminate their retained profit share if it is determined that, at any time during their employment or the relevant release periods after their employment, a Malus Event has occurred (as set out on page 116) or they have:

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

Each of the above is a Post Employment Event.

For retained profit share awarded in respect of FY2023 and subsequent years, where the release relates to relevant circumstances other than death or serious disability, the release will occur over the period from 12 months to 24 months after the Executive Director leaves, in accordance with the table below.<sup>(10)</sup> Awards in respect of FY2022 and earlier will remain subject to their original conditions of release to a departing Executive Director, as previously disclosed.

As disclosed in the 2022 Remuneration Report, for profit share allocations made to Executive KMP, Designated Executive Directors and Executive Directors in risk and financial control functions in respect of FY2024 onwards, unvested retained profit share will no longer be released over a 24-month period and will instead be kept on its original vesting schedule (other than in cases of death or serious disability). This may result in final vesting being up to five years from the end of employment. There will be no change in the timeframe for application of the Post Employment Events set out below.

	First Period	Second Period
<b>Time post-departure</b>	12 months	12 months to 24 months
<b>Unvested retained profit share released</b>	From all but the last 24 months of employment	From the last 24 months of employment
<b>Subject to malus</b>	No Malus Event	No Malus Event
<b>Subject to Post Employment Events</b>	No Post Employment Event during employment or during the period expiring 6 months following the end of employment, and No Post Employment Event (a) during the period from 6 months to 12 months following the end of employment	No Post Employment Event during employment or during the period expiring 6 months following the end of employment, and No Post Employment Event (a) during the period from 6 months to 12 months following the end of employment
<b>Where the release is by reason of retirement from Macquarie</b>	As above and in addition, the release is subject to no Post Employment Event (b) during the First Period	As above and in addition, the release is subject to no Post Employment Event (b) during the First or Second period

In addition to the above, for Accountable Persons under the BEAR (Accountable Persons), the exercise of discretion for any release of retained profit share following the end of employment 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.

(10) In the case of death or serious incapacitation, the Board will typically accelerate the vesting of retained profit share and immediately release it.

# Remuneration report

Continued

## 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. PSU allocations are determined with reference to Macquarie's performance as a whole, and as such they provide an additional incentive to Executive Committee members to drive company-wide performance over the long-term and beyond their Operating and Central Service Group responsibilities. PSU awards are a meaningful incentive but are generally not the major element of an Executive Committee member's total remuneration.

PSU allocations are based on their role as members of the Executive Committee and their contribution to driving the collective performance of Macquarie (taking into consideration both financial and non-financial factors), 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 MGL 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 allocations in respect of FY2023.

	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>(11)</sup>	Relative average annual ROE over the vesting period (four years) compared to a reference group of international financial institutions <sup>(11)</sup>  The reference group comprises Bank of America Corporation, Barclays PLC, Citigroup Inc., Deutsche Bank AG, Goldman Sachs Group Inc., JPMorgan Chase & Co., Lazard Ltd, Morgan Stanley and UBS AG <sup>(12)</sup>
<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 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.<sup>(13)</sup></li></ul>	

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

(12) For FY2023 PSU allocations, Credit Suisse Group has been removed from the international reference group for the ROE hurdle, following its government-supported acquisition by UBS AG, and has been replaced with Citigroup Inc. Comparator company information is presented in the same order throughout the Remuneration Report.

(13) 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 MGL 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.

### Changes from FY2024

The Board has approved changes to PSU allocations made in respect of FY2024 onwards. As set out in the 2022 Remuneration Report, from FY2024, the vesting period for PSUs granted to the CEO and the MBL CEO will be extended by a year, to five years. This change reflects regulatory expectations and increases the alignment of the interests of the CEOs and shareholders over the long-term.

Prior to the vesting of PSUs, the Board will conduct a holistic assessment of the Executive Committee's collective contribution to driving the performance of Macquarie over the full vesting period. The framework for the pre-vest assessment primarily consists of non-financial factors to ensure there is appropriate consideration of non-financial measures prior to vesting. Where the Board forms a negative overall assessment of the Executive Committee's collective contribution, it may consider whether an adjustment is appropriate, taking into account events subsequent to PSUs being allocated and any mitigating and aggravating factors.

### Rationale for hurdles

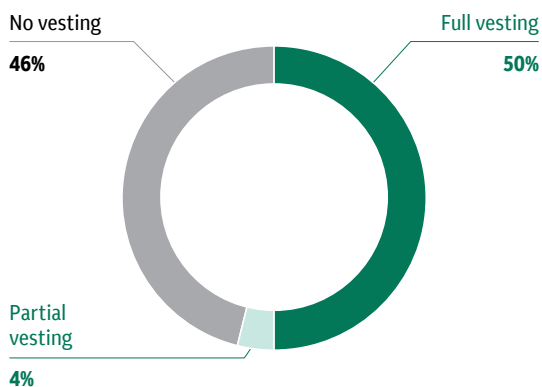
The PSU hurdles are periodically reviewed by the BRC to ensure they continue to align the interests of staff and shareholders and provide a challenging but meaningful incentive to Executive Committee members. The BRC's review includes consideration of the most relevant performance metrics to be used 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 FY2023 annual review, both the relative ROE and absolute EPS hurdles were considered to still be appropriate for the following reasons:

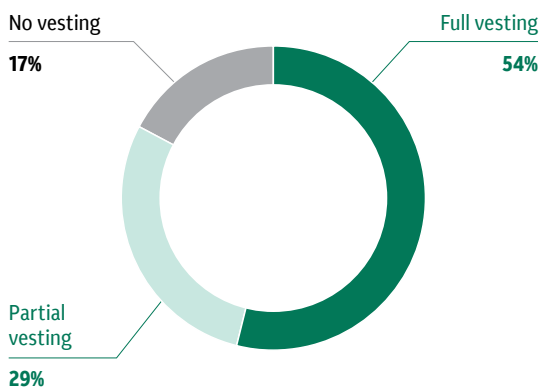
- ROE and EPS growth drive long-term shareholder value and are appropriate as the Executive Committee can affect outcomes on both measures. In contrast, Total Shareholder Return (TSR) is influenced by many external factors over which executives have limited control
- ROE and EPS can be substantiated 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 EPS targets are confirmed as rigorous when market performance is considered, with the EPS threshold hurdle exceeding the performance of most of the ASX20, the 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, 50% of the EPS tranches and 46% of the ROE tranches have resulted in either no vesting or partial vesting.

### Historical EPS tranche outcomes



### Historical ROE tranche outcomes



# Remuneration report

Continued

## Use of an international reference group

An international reference group recognises the extent of Macquarie's diversification and internationalisation. As at 31 March 2023, total international income represented approximately 71% of Macquarie's total income, with approximately 51% of Macquarie's staff located outside Australia.<sup>(14)</sup> 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 directly comparable Australian-listed peers.

The BRC considers it important to not intervene reactively to remove under-performers or over-performers in any given period. However, given the recent government-supported acquisition of Credit Suisse Group by UBS AG, Credit Suisse Group has been removed from the international reference group for awards in respect of FY2023 onwards. The BRC have approved Citigroup Inc. as a replacement, taking into account the markets in which it operates and the diversification of its business segments.

(14) Headcount includes staff employed in certain operationally segregated subsidiaries (OSS).

## 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. We invest significant time and effort in communicating and reinforcing our 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.

Prudent 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 adherence with the *What We Stand For* principles. Staff are aware of the consequences for non-compliance with the risk management framework and Macquarie's *Code of Conduct*. 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 Macquarie's remuneration approach. Risk considerations are embedded throughout the remuneration process including through the determination of individual profit share allocations, business group 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 longer 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

The following mechanisms exist to risk adjust remuneration outcomes.

<b>In-year profit share adjustments</b>	<b>Applies to all staff</b>
<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 a formal warning) or the independent reporting from the CRO, Head of Internal Audit, and Group General Counsel (GGC) are also considered.</li></ul>	
<b>Forfeiture</b>	<b>Applies to all staff with retained profit share</b>
<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>	
<b>Malus Events</b>	<b>Applies to senior employees (all staff from FY2024)</b>
<p>The malus provisions provide the Board 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</li><li>– MGL, MBL or any Group within Macquarie incurring significant reputational harm<sup>(15)</sup></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.

As disclosed in the 2022 Remuneration Report, from FY2024 the malus framework will apply to all employees with retained profit share, and clawback will also apply to certain senior employees in line with CPS 511 requirements. These clawback provisions will allow Macquarie to recover paid or vested remuneration for up to two years from the point of payment or vesting, in exceptional circumstances and where all other adjustment tools have been exhausted.

Clawback events will include where it is determined that:

- (a) there was a significant error in or a significant misstatement of criteria on which the remuneration determination was based;
- (b) the employee has at any time engaged in misconduct leading to significant adverse outcomes;
- (c) the employee has at any time significantly failed in or breached their compliance, accountability or fitness and propriety requirements; or
- (d) the employee has at any time acted or failed to act in a way that contributed to:
  - (i) a significant failure of financial or non-financial risk management; or
  - (ii) a significant adverse outcome for customers, beneficiaries or other stakeholders.

(15) A "Group within Macquarie" is a reference to any Operating Group or Central Service 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 any detriment to customers or impact on prudential standing.

To assist the Board and BRC when determining remuneration outcomes, independent control functions provide input as it applies to the BRC as follows.

### Independent control function input when determining remuneration outcomes

Risk Management Group	Internal Audit	Legal
The CRO provides the BRC with an independent report detailing significant risk matters (financial and non-financial) including those relating to incidents, issues, and regulatory and litigation matters.	The Head of Internal Audit provides the BRC with an independent report detailing notable internal audit issues and any trends at company-wide or business group level.	The GGC provides a further source of independent input and, in conjunction with HR, considers whether there are any incidents (including any breach of the BEAR obligations) that should be reviewed which might lead to a malus determination.

### Human Resources

The Global Head of HR discusses the reports from RMG and Internal Audit with the Group Heads to ensure any matters listed in the reports are appropriately reflected in remuneration outcomes for relevant staff and provides a report to the joint committee meeting of the BRC, Board Risk Committee (BRiC), Board Audit Committee (BAC) and Board Governance and Compliance Committee (BGCC) on how this has been achieved.

The Global Head of HR also annually reports to the BRC on the outcomes from the consequence management process and confirms that these matters have been considered in determining remuneration and promotion outcomes where appropriate.

### Consequence management process

Incidents, breaches of policy and misconduct issues are regularly reported to senior management. There are a number of processes in place to ensure consistency (across business groups and staff levels) in the application of consequences and the determination of remuneration outcomes, including the review and challenge by senior management of consequence management outcomes for consistency at year end.

Where an investigation has commenced into a risk or conduct-related matter, vesting, payment and/or release of profit share (including available and/or retained amounts) to an employee may be deferred to allow for the investigation to be completed.

## Consequence management outcomes

Macquarie's Consequence Management Guideline applies wherever a breach of internal policy or regulatory requirement is identified, including where there has been a breach of BEAR accountability obligations. 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 will likely be impacted and in some cases, 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 FY2023, there were 129 (FY2022: 82) matters involving conduct or policy breaches that resulted in formal consequences.

These included 71 (FY2022: 38) *Code of Conduct* or appropriate workplace behaviour related matters and 58 (FY2022: 44) other policy matters including risk management and technology breaches. Of the 129:

- for 49 matters, termination of employment was the outcome (FY2022: 29)
- for 80 matters, a formal warning was issued (FY2022: 53). Additional consequences were applied as appropriate including additional training, adjustments to profit share and/or proposed fixed remuneration increases, and/or impact to promotion (18 have resulted in individuals subsequently leaving Macquarie before year-end outcomes were applied and 61 individuals had their profit share reduced by an average of 37%).

The 129 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 the 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 under European 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 MGL 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 with a minimum of 10 years of service at the Executive Director level, compliance with this policy equates to a minimum shareholding requirement of between 100% to 1,170% 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 the equivalent of \$A25,000 to \$A175,000 depending on the Director level.</li> </ul>
<b>Performance fees (carried interest)</b>	<ul style="list-style-type: none"> <li>Under Macquarie Asset Management's carried interest arrangements, certain individuals with funds responsibilities may receive a portion of their deferred 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 (including consideration of non-financial factors), 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. For funds in place prior to September 2022, the entitlement will be forfeited if their employment ceases before five years from the date of allocation. For funds with a final close in September 2022 or later, vesting generally starts from 3 years from fund final close. 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 shares held to meet the minimum shareholding requirement and unvested equity held in the MEREP.</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 107 to 111 for details.
<b>PSU participation</b>	Executive Committee members are eligible to receive PSUs. Refer to pages 112 to 114 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 FY2023. NPAT has increased by 10% compared to the prior year and EPS has increased by 6%. In addition, returns to shareholders have been strong with an increase in ordinary dividends of 21% compared to the prior year.

Total compensation expense has increased by 14%, largely reflecting the increase in average headcount over the past year as well as wage inflation, with the compensation expense to income ratio (compensation ratio) of 38.1% remaining in line with historical levels. CEO awarded profit share has increased by 28% and total Executive KMP awarded profit share by 22%. These increases are explained in both the Chair letter and the awarded pay tables in the following section.

### Comparison of performance measures and executive remuneration measures: FY2022–2023

	Expressed as	FY2023	FY2022	Increase/(Decrease) %
<b>Performance measures</b>				
NPAT	\$Am	<b>5,182</b>	4,706	10
Basic EPS	Cents per share	<b>1,353.7</b>	1,271.7	6
Ordinary dividends	Cents per share	<b>750.0</b>	622.0	21
Return on equity	Percent	<b>16.9</b>	18.7	
<b>Executive remuneration measures</b>				
Total compensation expense	\$Am	<b>7,278</b>	6,364	14
Compensation expense to income ratio	Percent	<b>38.1</b>	36.7	
Average staff headcount <sup>(16)</sup>		<b>19,480</b>	17,002	15
Actual staff headcount <sup>(16)</sup>		<b>20,509</b>	18,133	13
CEO awarded profit share	\$Am	<b>32.00</b>	25.00	28
Total Executive KMP awarded profit share	\$Am	<b>151.59</b>	123.82	22
CEO statutory remuneration	\$Am	<b>30.40</b>	23.72	28
Total Executive KMP statutory remuneration	\$Am	<b>150.47</b>	129.47	16

### Performance over past 10 years: FY2014–2023

Year ended 31 March	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Income statement</b>										
NPAT (\$Am)	1,265	1,604	2,063	2,217	2,557	2,982	2,731	3,015	4,706	<b>5,182</b>
Basic EPS (cents per share)	383.6	502.3	619.2	657.6	758.2	883.3	791.0	842.9	1,271.7	<b>1,353.7</b>
<b>Shareholder returns</b>										
Return on equity (%)	11.1	14.0	14.7	15.2	16.8	18.0	14.5	14.3	18.7	<b>16.9</b>
Ordinary dividends (cents per share)	260	330	400	470	525	575	430	470	622	<b>750</b>
Special dividends (cents per share) <sup>(17)</sup>	116	-	-	-	-	-	-	-	-	-
Share price as at 31 March (\$A)	57.93	76.67	66.09	90.20	102.90	129.42	85.75	152.83	203.27	<b>175.66</b>
Annual TSR (%) to 31 March <sup>(18),(19)</sup>	67.2	40.0	(9.2)	46.0	21.3	32.8	(29.9)	83.9	38.6	<b>(9.8)</b>
10 year TSR (%) to 31 March <sup>(18),(19)</sup>	189.6	187.7	83.5	99.0	257.7	723.6	220.7	628.6	1,101.9	706.5

(16) Headcount for both FY2023 and FY2022 includes staff employed in certain operationally segregated subsidiaries (OSS).

(17) 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.

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

(19) Source: Bloomberg.

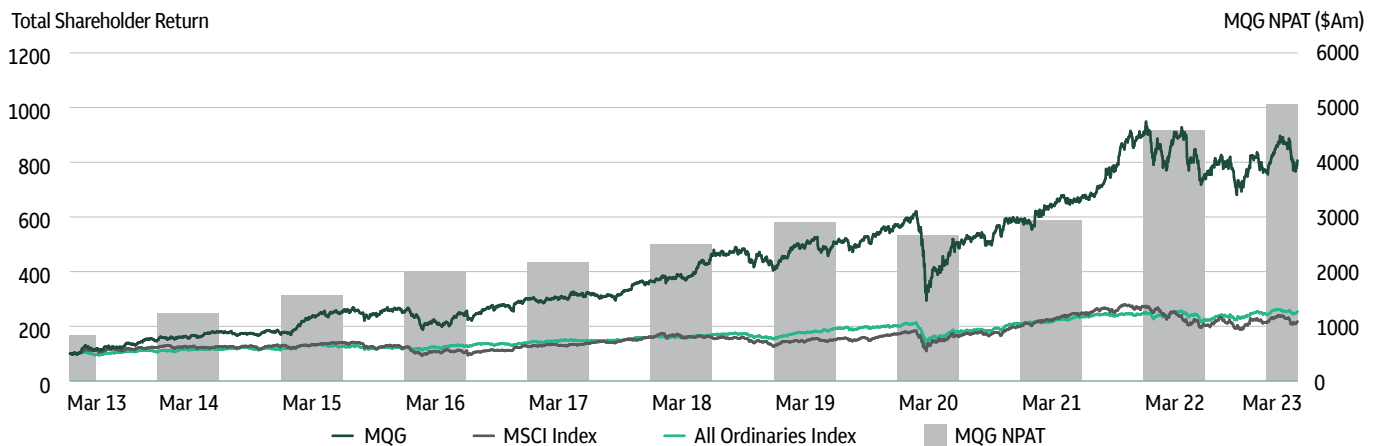
# Remuneration report

Continued

## 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) and the All Ordinaries Accumulation Index (All Ords Index), as shown in the chart and table below.<sup>(20),(21)</sup> Macquarie's NPAT over the same period has been shown for reference.

### Macquarie TSR versus the MSCI Index and All Ords Index: 31 Mar 2013 to 31 Mar 2023<sup>(22)</sup>



TSR Performance	MQG	ALL ORDINARIES INDEX	MSCI WORLD CAPITAL MARKETS INDEX
Since listing <sup>(23)</sup>	11,679%	1,133%	148%
10 years <sup>(24)</sup>	707%	154%	118%

Source: Bloomberg.

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

Macquarie's ROE for FY2023 of 16.9% has decreased from 18.7% in the prior year but 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 FY2014-2023

	1-year average % p.a.	3-year average % p.a.	5-year average % p.a.	10-year average % p.a.
Macquarie	16.9	16.1	15.8	14.3
Average of reference group	14.5	15.1	13.9	11.8
Company	10.6	9.9	10.3	7.8
Company	9.0	7.6	6.1	3.0
Company	7.5	8.2	8.8	6.5
Company	8.4	4.0	0.5	(0.9)
Company	10.5	14.8	13.5	11.2
Company	13.7	14.4	14.3	12.0
Company	46.7	51.8	48.6	48.7
Company	11.1	13.0	12.5	9.7
Company	13.0	12.3	10.7	8.6

Source: Bloomberg where available, otherwise company reported.

(20) 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).

(21) The All Ords Index comprises the 500 largest ASX listed companies by market capitalisation.

(22) All indexed to 100 on 31 March 2013.

(23) "Since listing" for MQG and All Ords Index refers to MQG listing date 29 July 1996. For MSCI, this refers to the date the MSCI World Capital Markets Index was first calculated, being 30 April 2003. 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.

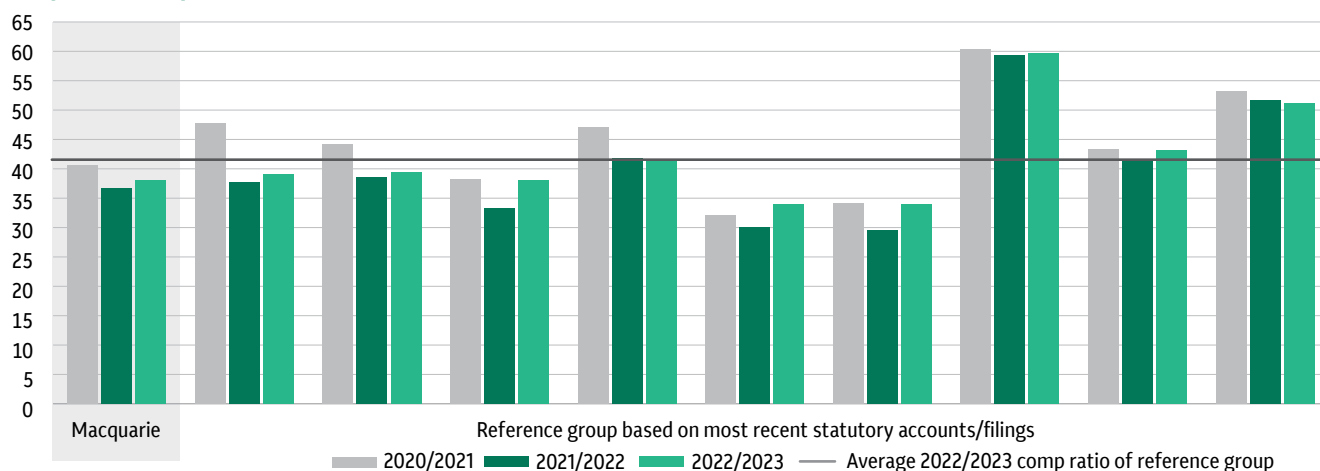
(24) For the period 31 March 2013 to 31 March 2023.

### Compensation expense to income ratio

In determining the reasonableness of the company-wide profit share pool, the Board considers Macquarie's compensation ratio compared with 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>(25)</sup> Macquarie's FY2023 compensation ratio of 38.1% is below the average of our international reference group.

#### Compensation expense to income ratio: FY2021-2023 (%)

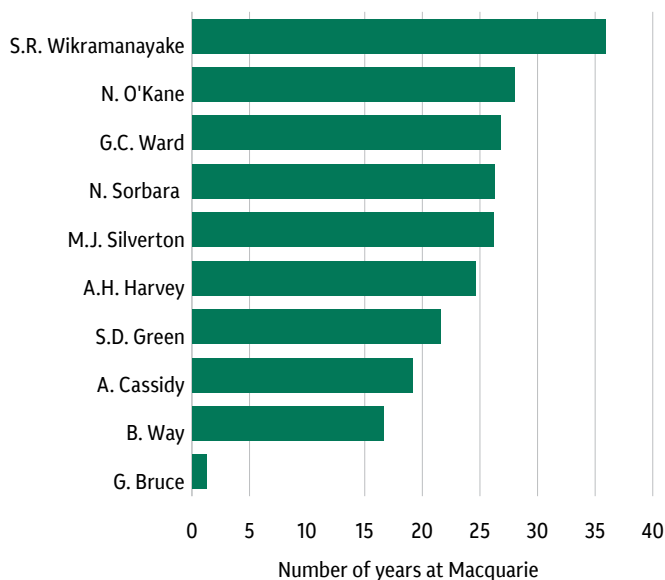


Source: Data has been calculated by Macquarie. The information is based on publicly available information for the reference group. In order to show more comparable compensation ratios, impairments have been consistently netted against net revenue in the revised calculations for some organisations.

### Tenure of Executive KMP<sup>(26)</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 23 years with Macquarie as at 31 March 2023. Their strong leadership and deep expertise have been integral to driving company and business performance in FY2023
- as at 31 March 2023, 49% of Director-level staff had more than ten years' experience with Macquarie, while a further 22% had between five and ten years' experience with Macquarie<sup>(27)</sup>
- the 5% Director-level voluntary turnover rate in FY2023 is lower than the prior year's rate of 6% and well below the voluntary turnover rate across Macquarie overall.<sup>(28)</sup>



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

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

(27) Data is based on active permanent staff only.

(28) Data is based on permanent regular staff only.

# Remuneration report

Continued

## Executive KMP remuneration outcomes for FY2023

This section details the process for determining Executive KMP remuneration outcomes for FY2023 and demonstrates the link between pay and performance.

### Process to determine Executive KMP remuneration 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 the Macquarie CEO's performance, the CEO meets with the Board towards the end of the financial year to consider formal documentation that outlines her views of Macquarie's and her own performance. The presentation includes a broad range of Macquarie's activities covering the following main areas:

- financial/business 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. 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 considers 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.

FY2023 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.

### Executive KMP fixed remuneration outcomes

In line with our pay for performance approach to remuneration, fixed remuneration for our Executive KMP in FY2023 comprised approximately 5% of total awarded remuneration, with the balance at risk and explicitly linked to performance.

There were no fixed remuneration increases for Executive KMP for FY2023, other than to reflect the appointment of Mr Cassidy and Mr Green to the Executive Committee. As noted in the 2022 Remuneration Report, fixed remuneration levels have been increased from 1 April 2023, as follows:

Role	FY2023 (\$Am)	FY2024 (\$Am)
CEO	0.8	1.5
MBL CEO	0.7	1.3
Executive KMP	0.7-0.75	1.1 <sup>(29)</sup>

This is the first fixed remuneration increase for Executive KMP since 2010, other than adjustments made when they were first appointed to the Executive Committee. The increases to fixed remuneration for FY2024 were made following the Board's holistic review of the remuneration framework last year, that considered a range of perspectives including those of shareholders and regulators, as well as global peer group benchmarking and the ongoing global competition for talent. Fixed remuneration remains set at a comparatively low level, relative to the industry, and at a lower proportion of total remuneration, but sufficient to avoid inappropriate risk-taking.

(29) For US-based Executive KMP, this is equivalent to \$US750,000.

### FY2023 Executive KMP profit share outcomes

The Board's determination of remuneration outcomes for FY2023 for the CEO and Executive KMP reflect the following factors:

- record profits and strong financial performance
- the diversification of the four Operating Groups and the strength of the underlying franchises which has seen the successful navigation through COVID-19 and an uncertain external environment
- the strong leadership of the Executive Committee, led by the CEO, to effectively role model our purpose and principles and to embed a strong risk culture
- the delivery of strong outcomes for our communities addressing areas of unmet community need including progress on ESG measures critical to maintaining our social licence to operate
- investment in our operating platform and reinforcement of the importance of long-term solutions to support our growth
- an ongoing focus on Macquarie's DEI strategy including the launch of our inaugural RAP in Australia
- an ongoing focus to enhance financial and non-financial risk capabilities and frameworks to ensure they are fit for purpose and support changes in the internal and external environment, including emerging risks in areas such as climate, sustainability and technology
- significant progress and continued investment in regulatory engagements, prudential compliance, regulatory reporting, and governance including progress against the remediation program with APRA to ensure there is appropriate focus on Macquarie Bank.

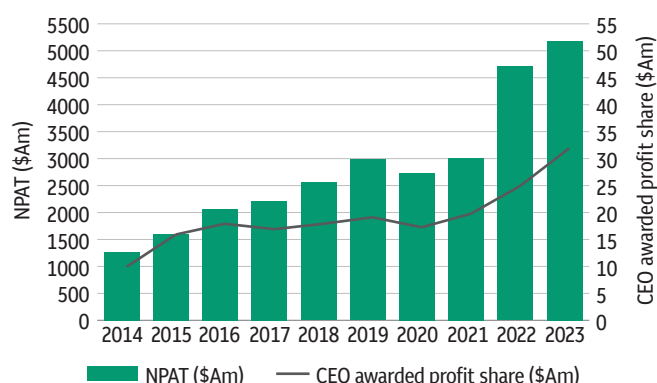
Executive KMP remuneration outcomes have been considered in the context of the wider workforce. The BRC receives extensive reporting on remuneration outcomes and individually reviews and approves the remuneration of Accountable Persons, staff who hold regulated roles, Designated Executive Directors (generally 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.

Through a challenging economic and market environment, we have given careful consideration of all these factors and we believe the following outcomes for the year are appropriate:

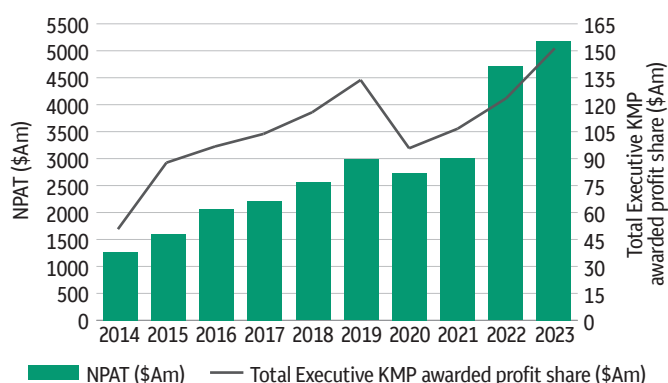
- CEO awarded profit share has increased 28% on the prior year to \$A32.0 million, which considers her sustained strong performance and the aggregate growth that she has led over multiple years as the MGL CEO
- total Executive KMP awarded profit share of \$A151.59 million (up 22% on the prior year)
- PSU allocations of \$A4.0 million for the CEO and \$A2.8 million for other Executive KMP.

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>(30)</sup>



Total Executive KMP awarded profit share



(30) 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.

# Remuneration report

Continued

## 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.

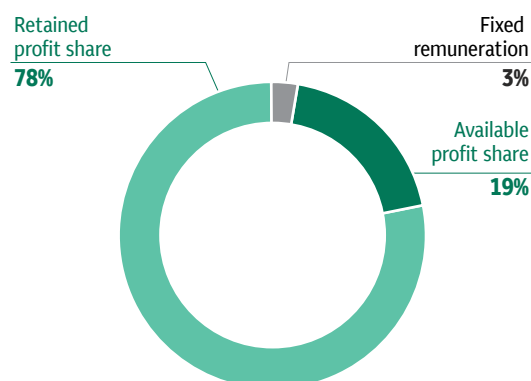
## Macquarie Group

### S.R. Wikramanayake

Macquarie CEO

Awarded remuneration (\$A)	FY2023	FY2022
Fixed remuneration	821,081	820,887
Available profit share	6,400,000	5,000,000
Retained profit share	25,600,000	20,000,000
<b>Total</b>	<b>32,821,081</b>	<b>25,820,887</b>

#### FY2023 Awarded remuneration



#### Financial/business results

- Delivered a record NPAT of \$A5,182m, up 10% on the prior year despite the challenging macroeconomic environment
- Completed four full years as CEO, delivering a 24% CAGR on NPAT over this period
- Maintained a strong funded balance sheet and credit ratings and raised funding from diversified sources to support business growth.

#### Risk management and compliance

- Continued to invest in our risk management framework and capabilities
- Focussed on ongoing engagement with staff to improve our risk culture messaging and encourage people to identify and escalate issues
- Continued to invest in regulatory engagements, making significant progress across prudential compliance, regulatory reporting, and governance.

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

- Strengthened the diverse franchises of the four Operating Groups, materially uplifted investment across our operational platform and reinforced the importance of long-term solutions to support our growth
- Empowered teams to address areas of unmet need and make meaningful progress on ESG measures that are critical to maintaining our social licence to operate
- Participated actively in external forums including the UK Investment Council, the Australian Federal Government's Investors' Roundtable series and its Southeast Asia Economic Strategy reference group
- Devoted significant time to leadership of global climate initiatives, including participation in the Glasgow Financial Alliance for Net Zero and Climate Finance Leadership Initiative, supporting policy development and strengthening government relationships.

#### People leadership and professional conduct

- Provided strong people leadership, reflected in consistently high Macquarie Voice Survey results
- Continued focus on maintaining and developing our culture and innovation during a period of increased recruitment and hybrid working, including through direct engagement with staff in different forums
- Launched our inaugural RAP in Australia and our refreshed FY2023-2026 Global DEI Strategy
- Invested time as a DEI advocate within Macquarie and the wider community through internal and external speaking engagements.

# Macquarie Bank

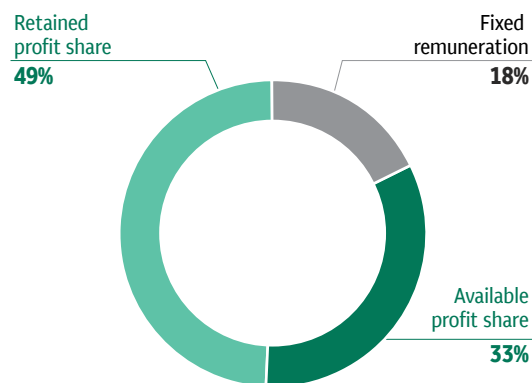
## S.D. Green

Macquarie Bank CEO

Awarded remuneration (\$A)	FY2023	FY2022
Fixed remuneration	771,741	536,496
Available profit share	1,400,000	750,000
Retained profit share	2,100,000	1,125,000
<b>Total</b>	<b>4,271,741</b>	<b>2,411,496</b>

Mr Green was appointed to the Executive Committee effective 1 July 2021. Awarded remuneration disclosed for FY2022 reflects his time as Executive KMP from the period 1 July 2021 to 31 March 2022.

### FY2023 Awarded remuneration



### Financial/business results

- Strong management of Macquarie Bank's balance sheet including strong growth in capital utilisation
- Maintained MBL's ratings and outlooks across all three agencies and obtained a second rating for Macquarie Bank Europe DAC
- Fitch upgrade of Macquarie International Finance Limited from A- to A Stable and short-term rating from F-2 to F-1.

### Risk management and compliance

- Continued to develop positive engagement with regulators, including through progress of key regulatory initiatives
- Evolved our risk management framework to ensure continued management of strategic objectives within a challenging macroeconomic and geopolitical environment
- Monitored and strengthened risk culture to protect the interests of MBL and deposit holders, including leading initiatives encouraging people to speak-up.

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

- Continued to uplift the role of the MBL CEO and the governance structure across the MBL Board, senior management and Central Service Groups
- Protected MBL's interests by putting clients first, ensuring structural independence and clear accountabilities between Bank and non-Bank, proactively managing potential conflicts and representing MBL on prominent industry bodies
- Engaged with investors, peers and external counterparties to optimally support our businesses from a funding and capital perspective, as well as ensure we are compliant with regulatory requirements
- Contributed as a member of the Social Impact Investment Advisory Committee and the Macquarie Group Foundation (the Foundation) Committee.

### People leadership and professional conduct

- Established the MBL CEO office to increase the level of review and challenge that Macquarie Bank provides on a range of matters
- Provided effective 'tone from the top' through cross-group forums promoting the importance of key projects and messages focusing on MBL
- Progressed DEI efforts as a sponsor of the global Accessibility Action Plan and inaugural mentor for Generation Valuable.



# Remuneration report

Continued

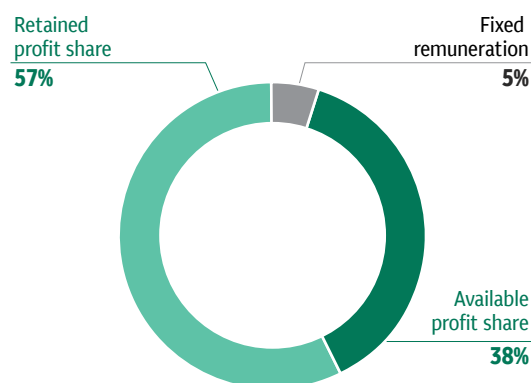
## Macquarie Asset Management (MAM)

B.I. Way

Head of MAM

Awarded remuneration (\$A)	FY2023	FY2022
Fixed remuneration <sup>(31)</sup>	907,110	725,135
Available profit share	6,400,000	5,800,000
Retained profit share	9,600,000	8,700,000
<b>Total</b>	<b>16,907,110</b>	<b>15,225,135</b>

### FY2023 Awarded remuneration



(31) The movement in Mr Way's fixed remuneration between FY2022 and FY2023 reflects exchange rate movements and benefits provided to him as part of his relocation from Hong Kong to the US.

### Financial/business results

- Delivered a net profit contribution of \$A2,342 million, down 23% on the prior year mainly due to markets impact on Public Investments and non-repeat disposition fees and investment income
- Increased total funding usage during FY2023 to support medium and long-term growth activities
- Raised a record of \$A38.2 billion in new equity from clients for a diverse range of strategies across the private markets platform.

### Risk management and compliance

- Continued to evolve MAM's risk management framework, driven by business and regulatory change and stakeholder requirements
- Continued to prioritise Work Health and Safety (WHS), which will remain a key focus area during FY2024.

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

- Continued delivery of MAM's 2030 Strategy with all divisions making good progress
- Focussed on growing core businesses, such as Real Assets Infrastructure strategies and delivering momentum on new investment strategies, such as green investment capabilities
- Focussed on Green Investment Group (GIG) integration including developing a strong portfolio of seed assets
- Completed the integration activities for the acquisition of Waddell & Reed and AMP Capital's Global Equities and Fixed Income businesses
- Continued progress on MAM's 2040 net zero commitment, with net zero targets set for most in-scope portfolio companies.

### People leadership and professional conduct

- Maintained strong staff engagement, and progressed initiatives to foster culture and evolve hybrid working
- Updated MAM's DEI strategy, extending impact to portfolio companies
- Invested in leadership and culture, with senior appointments to strengthen MAM's leadership and optimise the workforce based on business growth needs and market environment.

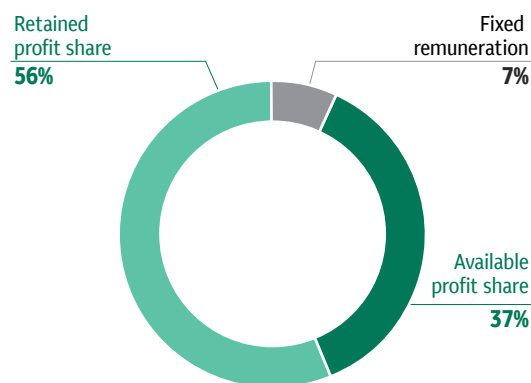
## Banking and Financial Services (BFS)

G.C. Ward

Deputy Managing Director and Head of BFS

Awarded remuneration (\$A)	FY2023	FY2022
Fixed remuneration	771,741	771,594
Available profit share	4,000,000	3,600,000
Retained profit share	6,000,000	5,400,000
<b>Total</b>	<b>10,771,741</b>	<b>9,771,594</b>

### FY2023 Awarded remuneration



### Financial/business results

- Delivered a net profit contribution of \$A1,201 million, up 20% on the prior year, with strong underlying portfolio growth despite market challenges
- Strong organic growth with total BFS deposits up 32% to \$A129.4 billion, and funds on platform up 4% to \$A123.1 billion
- Home loan portfolio increased 21% to \$A108.1 billion, and Business Banking loan portfolio increased 13% to \$A13.0 billion
- Car loans portfolio decreased 31% to \$A6.1 billion.

### Risk management and compliance

- Continued commitment to investing in and refining risk management approach to ensure it remains sustainable, efficient and fit for purpose
- Enhanced fraud prevention and detection capabilities through machine learning and behavioural biometrics
- Continued focus on the delivery of the remediation program with APRA.

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

- Continued investment in digitisation and enhancements to products and service offerings to uplift the customer experience
- Continued to develop our specialised electric vehicle buying service to help our clients transition to an electric car
- Received multiple industry awards from Canstar (Savings Bank of the Year), Mozo (Everyday and Savings Bank of the Year), Money Magazine (Best Savings Account & Best Term Deposits), RFI Global (Most outstanding Private Bank), and MFAA (Major Home Lender National Winner).

### People leadership and professional conduct

- Maintained strong staff engagement, with continued focus on sustaining a high performing and inclusive culture and delivering outstanding people experiences
- Sustained focus on DEI initiatives with ongoing focus on recruitment and development of critical diverse talent.

# Remuneration report

Continued

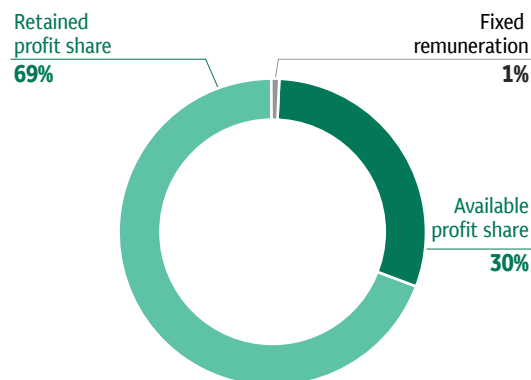
## Commodities and Global Markets (CGM)

**N. O’Kane**  
Head of CGM

Awarded remuneration (\$A)	FY2023	FY2022
Fixed remuneration	723,419	723,321
Available profit share	17,067,000	14,200,000
Retained profit share	39,823,000	21,300,000
<b>Total</b>	<b>57,613,419</b>	<b>36,223,321</b>

The BRC exercised its discretion to increase the FY2023 retention rate for Mr O’Kane from 60% to 70%.

### FY2023 Awarded remuneration



### Financial/business results

- Delivered a record net profit contribution of \$A6,007 million, up 54% on a strong prior year
- Profit driven by increased contributions from Commodities and Financial Markets. The Gas, Power and Oil businesses’ profit increased significantly from the prior year reflecting the ongoing strength of the platform and our continued support to clients by providing risk management and financing solutions as well as physical execution and logistics support.

### Risk management and compliance

- Maintained focus on prudent risk management, including with respect to strategic management of non-financial risks
- Continued to evolve a non-financial risk framework, bringing together already established teams and implementing best in class processes
- Continued delivery of the remediation program with APRA including proactive engagement to meet regulatory expectations, and work to uplift the risk management framework.

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

- Maintained strong market recognition including ranked No. 1 Futures Broker on the ASX,<sup>(32)</sup> and awarded House of Year for Oil and Products,<sup>(33)</sup> Derivatives,<sup>(33)</sup> Natural Gas/LNG,<sup>(34)</sup> Emissions<sup>(35)</sup> and Commodity Trade Finance<sup>(35)</sup>
- Continued effort to uplift external stakeholders’ understanding of the business by telling the CGM story in a simplified way, including the Americas Investor Tour and a recent Americas: Know Your Business session
- Continued investment in large scale initiatives that provide scalability and agility to support ongoing growth, including investment in the technology platform, and the review of end-to-end capital and liquidity programs
- Supported clients by focusing on cross-divisional and cross-group initiatives to help better understand their perspectives.

### People leadership and professional conduct

- Maintained strong staff engagement, notwithstanding broader macro challenges
- Launched a refreshed DEI Action Plan and focused on hiring, retaining and developing diverse and engaged people.

(32) Based on overall market share on ASX24 Futures volumes as at March 2023.

(33) 2022 Energy Risk Awards and 2022 Asia Energy Risk Awards.

(34) 2022 Energy Risk Awards.

(35) 2022 Asia Energy Risk Awards.

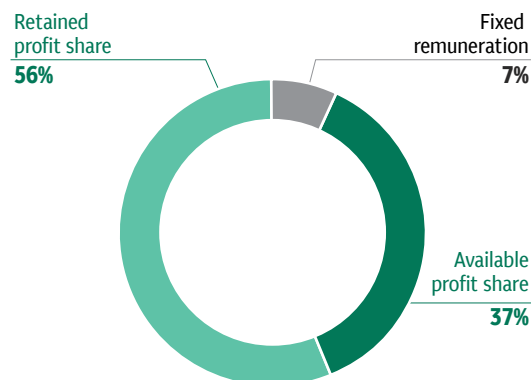
## Macquarie Capital

### M.J. Silvertown

Head of Macquarie Capital

Awarded remuneration (\$A)	FY2023	FY2022
Fixed remuneration	784,865	705,436
Available profit share	3,920,000	6,456,000
Retained profit share	5,880,000	9,684,000
<b>Total</b>	<b>10,584,865</b>	<b>16,845,436</b>

#### FY2023 Awarded remuneration



#### Financial/business results

- Delivered a net profit contribution of \$A801 million, down 47% on exceptionally strong FY2022 financial results
- Principal revenue increased significantly from FY2022, offset by higher funding costs
- Total fee revenue decreased from a record prior year because of weakening market conditions.

#### Risk management and compliance

- Maintained focus on embedding a robust risk culture with increased recognition of positive risk behaviours across all roles
- Continued investment in non-financial risk management, including through enhancing training and reporting and uplifting capabilities.

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

- Continued progress in strategic priority areas, including:
  - deployment of private credit, with a focus on capital preservation
  - positive equity realisations despite more challenging markets
  - significant traction in client and sector coverage with progress in sell-side M&A mandates and benefits from targeted expansion in areas such as Continental Europe, healthcare and software.
- Delivered positive outcomes for communities through using principal investment and development capabilities to address areas of unmet need such as education, transportation, digital infrastructure and the energy transition
- Maintained the No. 1 rankings in ANZ for M&A in 2022, Global Renewable Financial Adviser, Global Infrastructure Financial Adviser and Education M&A deals by volume. Equities ANZ: No. 1 rankings in research strength, research quality sector research, Trading Strength Index and Important Trading Firm.

#### People leadership and professional conduct

- Increased staff engagement as a result of continued efforts to drive a collaborative, innovative culture through embedding Macquarie's purpose and investing in staff
- Enabled continued growth by attracting talent in strategic sectors and succession planning for long term business resilience
- Role-modelled advocacy for an equitable and inclusive culture and sponsorship of our diverse talent.

# Remuneration report

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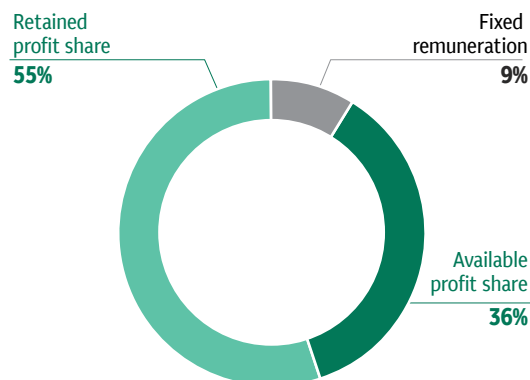
## Corporate Operations Group (COG)

N. Sorbara

COO and Head of COG

Awarded remuneration (\$A)	FY2023	FY2022
Fixed remuneration	771,741	771,594
Available profit share	3,200,000	2,900,000
Retained profit share	4,800,000	4,350,000
<b>Total</b>	<b>8,771,741</b>	<b>8,021,594</b>

### FY2023 Awarded remuneration



### Financial/business results

- Provides specialist services in technology, operations, human resources, workplace, data and transformation, strategy, operational risk management, business resilience and global security, and the Foundation
- Material increase in technology investment
- Delivered \$A32 million in cost savings resulting from operating model changes and initiatives focused on technology and operational excellence
- Realised \$A80 million in savings to Macquarie from direct costs influenced by COG.

### Risk management and compliance

- Maintained a strong risk culture and sets a strong 'tone from the top'.
- Continued to meet regulatory obligations through the effective management of group-wide risk frameworks
- Continued to protect Macquarie through investing in preventative cyber security technology and increasing our cyber resilience
- Led the engagement with APRA regarding remuneration-related remediation activities and CPS 511.

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

- Executed on each Operating and Central Service Group's digitalisation programs with significant progress moving BFS, CGM and MAM onto the public cloud
- Supported CGM's increased trading volumes, products and clients.
- Evolved our workplaces globally, including strong delivery on Metro Martin Place, opening new offices in Milan and Paris and well progressed on new offices in Tokyo and New York
- Delivered the refreshed 2025 Sustainability Plan, including driving sustainability in direct operations to deliver net zero by 2025
- Supported 2,500 non-profit organisations with over \$A52 million contributed by Macquarie employees and the Foundation in FY2023.

### People leadership and professional conduct

- Provided leadership in areas of internal mobility and succession, achieved high staff engagement levels, built a diverse and inclusive work environment, managed record levels of recruitment, reviewed leave benefits and leadership programmes and refreshed our leadership standards
- Continued investment in staff capability through tailored skills programs and partnerships with thought-leaders in innovation, technology, digitalisation and leadership
- Continued focus on the development and promotion of diverse talent, including strengthening the way we attract diverse technology talent.
- Launched our inaugural RAP in Australia.

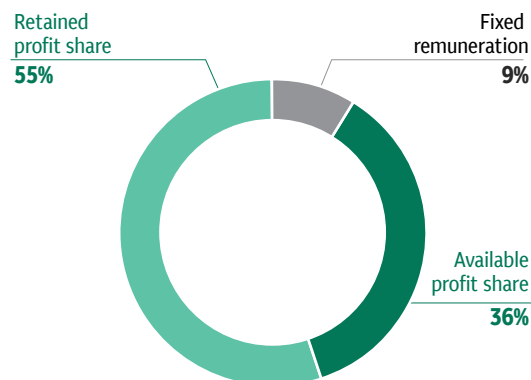
## Financial Management Group (FMG)

A.H. Harvey

CFO and Head of FMG

Awarded remuneration (\$A)	FY2023	FY2022
Fixed remuneration	771,741	771,594
Available profit share	3,200,000	2,900,000
Retained profit share	4,800,000	4,350,000
<b>Total</b>	<b>8,771,741</b>	<b>8,021,594</b>

### FY2023 Awarded remuneration



### Financial/business results

- Responsible for providing strategic analysis and advice related to capital, funding, liquidity, tax and financial performance, ensuring Macquarie meets financial, regulatory and tax reporting compliance obligations, and maintaining relationships with external stakeholders
- Played a key role in supporting the strong financial performance of Macquarie, with FMG teams key to analysing and realising organic and inorganic growth opportunities and providing a group-wide perspective on optimising the allocation of capital
- Maintained strong balance sheet, raising \$A3.6 billion of equity capital and \$A23.3 billion of term funding, across a diversified range of products and currencies.

### Risk management and compliance

- Continued to foster a strong risk culture, evolving FMG's internal risk capability with the establishment of a Non-Financial Risk Division
- Progressed initiatives on the remediation program with APRA, including reiterating the risk culture narrative across FMG.

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

- Continued as Chair of the Foundation, evolving its strategic pillars, long-term strategy and impact. Over \$A52 million contributed to 2,500 non-profit organisations by Macquarie employees and the Foundation in FY2023
- Strengthened relationships and global engagement with governments, regulators, debt and equity investors, banking partners and corporate governance groups
- Led continued multi-year transformation of FMG, realising further key technology uplift initiatives to reduce manual effort through automation and evolving FMG's operating model
- Consolidated and progressed the Capital and Liquidity end-to-end transformations.

### People leadership and professional conduct

- Delivered on people strategy, including uplifting leadership capability to support people in a changing environment
- Launched action plan outlining FMG's commitment to the refreshed global Macquarie DEI strategy, including ongoing focus on inclusion and various aspects of diversity at all levels.

# Remuneration report

Continued

## Risk Management Group (RMG)

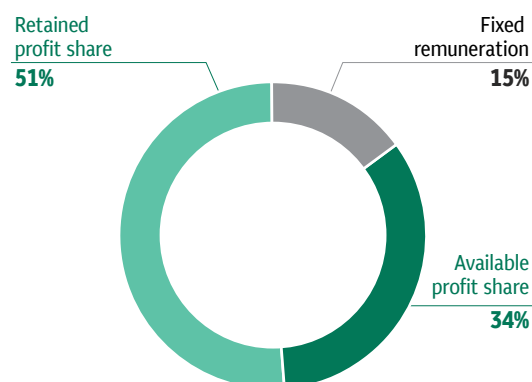
A. Cassidy

CRO and Head of RMG

Awarded remuneration (\$A)	FY2023	FY2022
Fixed remuneration	771,741	142,738
Available profit share	1,800,000	280,000
Retained profit share	2,700,000	420,000
<b>Total</b>	<b>5,271,741</b>	<b>842,738</b>

Mr Cassidy was appointed to the Executive Committee effective 1 January 2022. For FY2022, awarded remuneration disclosed reflects his time as Executive KMP from 1 January 2022 to 31 March 2022.

### FY2023 Awarded remuneration



### Financial/business results

- Responsible for providing independent review and challenge, oversight, monitoring and reporting in relation to Macquarie's material risks
- Continued strategic work to uplift specific aspects of the risk management framework to ensure it remains fit for purpose and supports changes in the operating environment.

### Risk management and compliance

- Reviewed, challenged and provided strategic direction to support the delivery of the remediation program with APRA to ensure it continues to meet expectations
- Maintained a strong focus on improving non-financial risk management through increased resourcing and training
- Implemented Regulatory Engagement training to ensure continued open and transparent engagement with our regulators.

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

- Continued to assess and enhance group-wide risk frameworks and capabilities to ensure they are fit for purpose and support changes in the internal and external environment, including emerging risks in areas like climate, sustainability and cyber
- Led the group net zero program and directed development of the 2022 Net Zero and Climate Risk Report.

### People leadership and professional conduct

- Focussed on the people aspects of RMG's strategy, including building capability and recruiting in areas of business growth and innovation
- Delivered Global Conduct Week – a global campaign to promote employee understanding of accountability for risk
- Supported Macquarie's DEI Strategy through progressing RMG initiatives regionally.

## Legal and Governance Group (LGG)

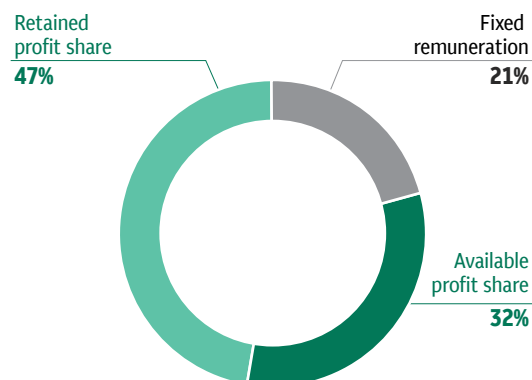
G.N. Bruce

GGC and Head of LGG

Awarded remuneration (\$A)	FY2023	FY2022
Fixed remuneration	771,741	190,267
Available profit share	1,160,000	261,900
Retained profit share	1,740,000	392,850
<b>Total</b>	<b>3,671,741</b>	<b>845,017</b>

Ms Bruce was appointed to the Executive Committee effective 2 March 2022. Awarded remuneration disclosed for FY2022 is from her date of hire, 1 January 2022, to 31 March 2022.

### FY2023 Awarded remuneration



### Financial/business results

- Responsible for providing legal and corporate governance services, including strategic legal and governance advice and risk assessment on corporate transactions, treasury and funding, insurance, regulatory enquiries and litigation.

### Risk management and compliance

- Played a central role in managing regulatory expectations, including advising on compliance with legislation (both current and upcoming), regulatory requirements and prudential standards.

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

- Joined as incoming Head of LGG on 1 January 2022, appointed to Executive Committee on 2 March 2022 and appointed as GGC on 7 May 2022
- Set a clear strategy for LGG as one community of legal and governance professionals who protect and represent Macquarie's interests
- Embedded an emphasis on anticipating and supporting emerging risk and growth areas (for example ESG initiatives, including green law, in FY2023)
- Joined the Foundation Committee.

### People leadership and professional conduct

- Focussed on strategic succession planning and diverse representation at senior levels in LGG
- Developed a learning pathways program to provide staff with professional and future skills
- Focussed on attracting and retaining top talent through several sourcing and recruitment initiatives.



# Remuneration report

Continued

## Executive KMP – Allocation of PSUs for FY2023

As set out on page 112, individual PSU allocations were determined based on their role as members of the Executive Committee and contribution to driving the collective performance of Macquarie (taking into consideration both financial and non-financial factors), including their collaboration across businesses.

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

Approval will be sought at Macquarie's 2023 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 FY2023 PSU award (\$A)	Value of the FY2022 PSU award (\$A)
S.R. Wikramanayake	4,000,000	4,000,000
G.N. Bruce <sup>(36)</sup>	2,800,000	1,400,000
A. Cassidy	2,800,000	2,800,000
S.D. Green	2,800,000	2,800,000
A.H. Harvey	2,800,000	2,800,000
N. O'Kane	2,800,000	2,800,000
M.J. Silvertown	2,800,000	2,800,000
N. Sorbara	2,800,000	2,800,000
G.C. Ward	2,800,000	2,800,000
B.I. Way	2,800,000	2,800,000

Page 112 sets out details of the performance hurdles and vesting period applicable to these awards.

## Executive KMP – PSUs vesting during FY2023

The PSUs that completed their performance period on 30 June 2022 comprised the second tranche of those awards granted in 2018 and the first tranche of those granted in 2019. 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 fully met for both tranches.

As a result, 100% of the awards became exercisable on 1 July 2022, 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>2018 Tranche 2</b>	13.81%	50% at 7.5% CAGR 100% at 12% CAGR	100% exercisable	15.48% (88th percentile)	50% above the 50th percentile <sup>(37)</sup> 100% at the 75th percentile <sup>(37)</sup>	100% exercisable
<b>2019 Tranche 1</b>	12.93%	50% at 7.5% CAGR 100% at 12% CAGR	100% exercisable	15.04% (88th percentile)	50% above the 50th percentile <sup>(38)</sup> 100% at the 75th percentile <sup>(38)</sup>	100% exercisable

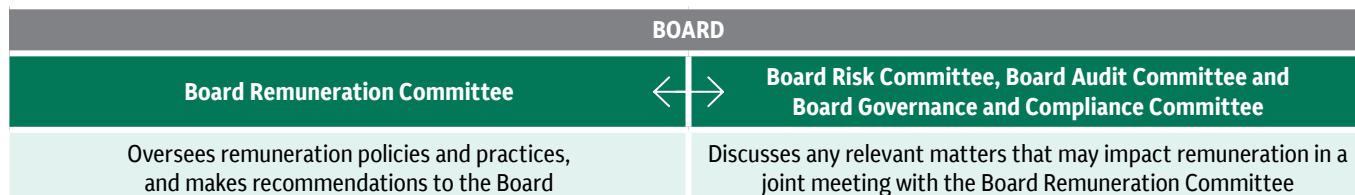
(36) As disclosed in the 2022 Remuneration Report, the arrangements to secure Ms Bruce's appointment included a minimum PSU allocation of face value \$A2.0 million for FY2023.

(37) International reference group ROE at 50th percentile 12.86% and international reference group ROE at 75th percentile 14.47%.

(38) International reference group ROE at 50th percentile 13.25% and international reference group ROE at 75th percentile 14.84%.

## 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.



### Strong Board oversight

The Board oversees Macquarie's remuneration framework and its effective application. The Board has a BRC whose objective is to assist the Board with Macquarie's remuneration policies and practices. The BRC currently comprises three independent Non-Executive Directors (NEDs) as set out in the Directors' Report.

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 nine times during FY2023. 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.

On 1 June 2022, the Board of MBL established the MBL Board Remuneration Committee (MBL BRC). The MBL BRC works closely with the BRC to assist the MBL Board with its oversight of remuneration policies and practices applying to staff of Macquarie Bank.

### 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://www.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 117, the CRO and the Head of Internal Audit provide the BRC with independent reports detailing significant risk matters (financial and non-financial) including those relating to incidents, issues, and regulatory and litigation 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 GGC 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 Chair 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 regarding Macquarie's implementation plan for the requirements of CPS 511.

# Remuneration report

Continued

## 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 Board seeks to appoint and appropriately remunerate 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.

The NED remuneration framework seeks to remunerate high calibre directors by:

- setting an overall fee that reflects the scale and complexity of Macquarie including additional 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 MGL shareholders.

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

Board and Board Committee fees are reviewed annually.<sup>(39)</sup> An internal review of NED fees was completed during the year. The Boards determined, following this review, that Board and Board Committee fees would remain unchanged. In a separate review relating to the governance initiatives approved by the MBL Board in FY2022, including the appointment of bank-only non-executive directors (BONDs) to the MBL Board, the MGL Board Nominating Committee (BNC) fee was increased from \$A8,500 per annum to \$A18,500 per annum effective from 1 June 2022 to reflect the expected increased workload of that Committee.

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, if any.

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.

### 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 Chair, is an investment equivalent to one times the average annual NED fee for the financial year ending prior to their appointment
- for the Chair, is an investment equivalent to one times the annual Chair fee. Where the Chair is also the MBL Chair, this calculation will reflect the aggregate fee for the role of MBL Chair and MGL Chair, with the minimum number of shares to be determined using the share price as at the date of their appointment.

The above requirements 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 shareholding requirement. Each NED's current holding of MGL ordinary shares is included on page 88 of the Directors' Report.

Annual Director Fees <sup>(40)</sup>	Chair \$A <sup>(41)</sup>	Member \$A
Board	935,000	275,000
Board Audit Committee (BAC)	80,000	37,000
Board Governance and Compliance Committee (BGCC)	80,000	37,000
Board Remuneration Committee (BRC)	80,000	37,000
Board Risk Committee (BRiC)	80,000	37,000
Board Nominating Committee (BNC) <sup>(42)</sup>	n/a	18,500

(39) MGL has five standing Board Committees.

(40) Annual director fees include all fees payable by MGL to a NED for acting as a director of MGL and MBL, including attending and participating in any board committee meetings.

(41) The Chair of the Board does not receive Board Committee membership fees.

(42) The BNC fee was increased from \$A8,500 to \$A18,500 effective from 1 June 2022.

# Remuneration report

Continued

## Appendix 1: Key Management Personnel (KMP) for FY2023

All the individuals listed below have been determined to be KMP for FY2023 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 FY2023
<b>Executive Voting Director</b>		
S.R. Wikramanayake	CEO	Full year
<b>Non-Executive Directors</b>		
J.R. Broadbent AC	Independent Director	Full year
P.M. Coffey	Independent Director	Full year
M.J. Coleman	Independent Director	Ceased to be a member of the Board on 28 July 2022 <sup>(43)</sup>
M.A. Hinchliffe	Independent Director	Full year
R.J. McGrath	Independent Director	Full year
M. Roche	Independent Director	Full year
G.R. Stevens AC	Independent Chair	Full year <sup>(44)</sup>
N.M. Wakefield Evans AM	Independent Director	Full year
P.H. Warne	Former Independent Chair	Ceased to be a member of the Board on 9 May 2022 <sup>(45)</sup>
<b>Executives<sup>(46)</sup></b>		
G.N. Bruce	GGC, Head of LGG	Full year
A. Cassidy	CRO, Head of RMG	Full year
S. D. Green	Macquarie Bank CEO	Full year
A.H. Harvey	CFO, Head of FMG	Full year
N. O'Kane	Head of CGM	Full year
M.J. Silverton	Head of Macquarie Capital	Full year
N. Sorbara	COO, Head of COG	Full year
G.C. Ward	Deputy Managing Director and Head of BFS	Full year
B. I. Way	Head of MAM	Full year

(43) Mr Coleman ceased to be a member of the MGL Board on 28 July 2022 and became a BOND on 29 July 2022.

(44) Mr Stevens became Chair of the MGL and MBL Boards on 10 May 2022.

(45) Mr Warne retired from his roles as Chair and Independent Director of the MGL and MBL Boards on 9 May 2022.

(46) All Executives as well as the CEO were members of the Executive Committee as at 5 May 2023.

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# Remuneration report

Continued

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

Name	Position	Year	SHORT-TERM EMPLOYEE BENEFITS		
			Salary (including superannuation) \$A	Performance related remuneration \$A	Total short-term employee benefits \$A
<b>Executive Voting Director</b>					
S.R. Wikramanayake	Macquarie Group CEO	2023	821,081	6,400,000	7,221,081
		2022	820,887	5,000,000	5,820,887
<b>Executives</b>					
A.H. Harvey	CFO, Head of FMG	2023	771,741	3,200,000	3,971,741
		2022	771,594	2,900,000	3,671,594
N. O'Kane	Head of CGM	2023	723,419	17,067,000	17,790,419
		2022	723,321	14,200,000	14,923,321
M.J. Silvertown <sup>(47)</sup>	Head of Macquarie Capital	2023	784,865	3,920,000	4,704,865
		2022	705,436	6,456,000	7,161,436
N. Sorbara	COO, Head of COG	2023	771,741	3,200,000	3,971,741
		2022	771,594	2,900,000	3,671,594
G.C. Ward	Deputy Managing Director, Head of BFS	2023	771,741	4,000,000	4,771,741
		2022	771,594	3,600,000	4,371,594
B.I. Way <sup>(48),(49)</sup>	Head of MAM	2023	907,110	6,400,000	7,307,110
		2022	725,135	5,800,000	6,525,135
<b>Total Remuneration - Comparable Executive KMP<sup>(50)</sup></b>		2023	5,551,698	44,187,000	49,738,698
		2022	5,289,561	40,856,000	46,145,561
<b>New and former Executives</b>					
G.N. Bruce <sup>(51)</sup>	GGC, Head of LGG	2023	771,741	1,160,000	1,931,741
		2022	190,267	261,900	452,167
A. Cassidy <sup>(49)</sup>	CRO, Head of RMG	2023	771,741	1,800,000	2,571,741
		2022	142,738	280,000	422,738
S.D. Green <sup>(49)</sup>	Macquarie Bank CEO	2023	771,741	1,400,000	2,171,741
		2022	536,496	750,000	1,286,496
F. Herold	Former Head of Macquarie Capital Principal Finance	2023	-	-	-
		2022	396,183	254,499	650,682
M.J. Reemst	Former Macquarie Bank CEO	2023	-	-	-
		2022	192,337	-	192,337
P.C. Upfold <sup>(52)</sup>	Former CRO, Head of RMG	2023	-	-	-
		2022	581,327	1,960,000	2,541,327
D. Wong	Former Co-Head of Macquarie Capital	2023	-	-	-
		2022	2,755,447	-	2,755,447
<b>Total Remuneration - Executive KMP (including new and former Executives)</b>		2023	7,866,921	48,547,000	56,413,921
		2022	10,084,356	44,362,399	54,446,755

(47) Mr Silvertown is paid in US dollars. His base salary for FY2023 differs to FY2022 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 \$A138,000 and \$A218,000 were paid during FY2022 and FY2023, respectively, and are not included in Mr Silvertown's statutory remuneration.

(48) The movement in Mr Way's fixed remuneration reflects exchange rate movements and benefits provided to him as part of his relocation from Hong Kong to the US. As a US tax resident, Mr Way's remuneration is subject to US social security and Medicare taxes, payable by Macquarie. An amount of \$A19,000 was paid during FY2023 and is not included in Mr Way's statutory remuneration.

(49) 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.

(50) Comparable KMP are Executive KMP who are members of the Executive Committee for the full year in both FY2023 and FY2022.

(51) 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 (subject to Macquarie's standard remuneration arrangements) and 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).

(52) Mr Upfold ceased to be a member of the Executive Committee on 31 December 2021 and retired on 16 July 2022. As a result of his retirement, the outstanding amortisation related to his equity awards was accelerated resulting in further accounting amortisation of \$A4.8 million in FY2023.

LONG-TERM EMPLOYEE BENEFITS			SHARE BASED PAYMENTS				Total Remuneration \$A	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			
<b>2,560,000</b>	<b>2,642,127</b>	<b>5,202,127</b>	<b>15,000,954</b>	<b>2,980,078</b>	<b>17,981,032</b>	<b>30,404,240</b>		
2,000,000	1,401,253	3,401,253	11,654,512	2,841,726	14,496,238	23,718,378	12%	
<b>480,000</b>	<b>343,104</b>	<b>823,104</b>	<b>3,846,002</b>	<b>1,870,796</b>	<b>5,716,798</b>	<b>10,511,643</b>	<b>18%</b>	
435,000	136,239	571,239	3,597,080	1,693,434	5,290,514	9,533,347	18%	
<b>3,982,300</b>	<b>1,220,197</b>	<b>5,202,497</b>	<b>17,593,725</b>	<b>2,109,455</b>	<b>19,703,180</b>	<b>42,696,096</b>	<b>5%</b>	
2,130,000	422,132	2,552,132	12,857,404	2,057,261	14,914,665	32,390,118	6%	
<b>588,000</b>	<b>393,301</b>	<b>981,301</b>	<b>4,770,628</b>	<b>1,758,795</b>	<b>6,529,423</b>	<b>12,215,589</b>	<b>14%</b>	
968,400	131,612	1,100,012	4,404,025	1,281,464	5,685,489	13,946,937	9%	
<b>480,000</b>	<b>344,233</b>	<b>824,233</b>	<b>3,856,298</b>	<b>1,870,796</b>	<b>5,727,094</b>	<b>10,523,068</b>	<b>18%</b>	
435,000	136,432	571,432	3,599,870	1,713,380	5,313,250	9,556,276	18%	
<b>1,200,000</b>	<b>946,218</b>	<b>2,146,218</b>	<b>4,606,203</b>	<b>2,109,455</b>	<b>6,715,658</b>	<b>13,633,617</b>	<b>15%</b>	
1,080,000	381,019	1,461,019	4,408,060	2,084,601	6,492,661	12,325,274	17%	
<b>4,800,000</b>	<b>2,669,933</b>	<b>7,469,933</b>	<b>2,456,941</b>	<b>936,669</b>	<b>3,393,610</b>	<b>18,170,653</b>	<b>5%</b>	
4,350,000	994,118	5,344,118	1,771,893	460,353	2,232,246	14,101,499	3%	
<b>14,090,300</b>	<b>8,559,113</b>	<b>22,649,413</b>	<b>52,130,751</b>	<b>13,636,044</b>	<b>65,766,795</b>	<b>138,154,906</b>		
11,398,400	3,602,805	15,001,205	42,292,844	12,132,219	54,425,063	115,571,829		
<b>174,000</b>	<b>5,132</b>	<b>179,132</b>	<b>407,908</b>	<b>737,125</b>	<b>1,145,033</b>	<b>3,255,906</b>	<b>23%</b>	
39,285	-	39,285	25,831	66,261	92,092	583,544	11%	
<b>270,000</b>	<b>42,610</b>	<b>312,610</b>	<b>870,592</b>	<b>936,669</b>	<b>1,807,261</b>	<b>4,691,612</b>	<b>20%</b>	
42,000	3,174	45,174	139,954	113,512	253,466	721,378	16%	
<b>210,000</b>	<b>71,782</b>	<b>281,782</b>	<b>981,118</b>	<b>936,669</b>	<b>1,917,787</b>	<b>4,371,310</b>	<b>21%</b>	
112,500	19,704	132,204	581,267	345,580	926,847	2,345,547	15%	
-	-	-	-	-	-	-	-%	
62,743	24,721	87,464	547,784	134,915	682,699	1,420,845	10%	
-	-	-	-	-	-	-	-%	
-	27,423	27,423	4,118,505	1,259,090	5,377,595	5,597,355	22%	
-	-	-	-	-	-	-	-%	
294,000	107,757	401,757	4,662,483	1,435,423	6,097,906	9,040,990	16%	
-	-	-	-	-	-	-	-%	
(2,913,498)	156,587	(2,756,911)	(4,529,854)	(1,284,251)	(5,814,105)	(5,815,569)	22%	
<b>14,744,300</b>	<b>8,678,637</b>	<b>23,422,937</b>	<b>54,390,369</b>	<b>16,246,507</b>	<b>70,636,876</b>	<b>150,473,734</b>		
9,035,430	3,942,171	12,977,601	47,838,814	14,202,749	62,041,563	129,465,919		



# 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 124 to 133.

Under the requirements of AASB 124 *Related Party Disclosures*, the remuneration disclosures for the years ended 31 March 2023 and 31 March 2022 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 MGL ordinary shares under the MEREP as described on page 110. This is recognised as an expense over the respective vesting periods, or service period if shorter, as described on page 109 and includes amounts relating to prior years equity awards that have been previously disclosed. Equity awards in respect of FY2023 performance will be granted during FY2024; however, Macquarie begins recognising an expense for these awards (based on an initial estimate) from 1 April 2022. The expense is estimated using the price of MGL ordinary shares as at 31 March 2023 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 112. This includes amounts relating to prior years' PSU awards. PSU awards in respect of FY2023 will be granted during FY2024; however, Macquarie begins recognising an expense for these awards (based on an initial estimate) from 1 April 2022. The expense is estimated using the price of MGL ordinary shares as at 31 March 2023 and the number of PSUs expected to vest. The estimate also incorporates an interest rate to maturity of 4.24% per annum, expected vesting date of 1 July 2027, and a dividend yield of 3.28% 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 page 137 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>(53)</sup> \$A	Total Compensation \$A
J.R. Broadbent AC <sup>(54)</sup>	2023	378,000	-	378,000
	2022	394,875	-	394,875
G.M. Cairns <sup>(55)</sup>	2023	-	-	-
	2022	34,527	-	34,527
P.M. Coffey <sup>(56)</sup>	2023	415,000	-	415,000
	2022	392,708	-	392,708
M.J. Coleman <sup>(57)</sup>	2023	143,891	6,300	150,191
	2022	431,375	12,000	443,375
D.J. Grady AO <sup>(58)</sup>	2023	-	-	-
	2022	351,554	-	351,554
M.A. Hinchliffe <sup>(59)</sup>	2023	388,979	6,300	395,279
	2022	29,792	-	29,792
R.J. McGrath <sup>(60)</sup>	2023	396,667	-	396,667
	2022	352,625	-	352,625
M. Roche <sup>(61)</sup>	2023	396,667	-	396,667
	2022	352,625	-	352,625
G.R. Stevens AC <sup>(62)</sup>	2023	872,903	-	872,903
	2022	391,292	-	391,292
N.M. Wakefield Evans AM	2023	445,833	-	445,833
	2022	431,375	-	431,375
P.H. Warne <sup>(63)</sup>	2023	100,538	-	100,538
	2022	923,750	-	923,750
<b>Total Remuneration - Non-Executive KMP</b>	2023	<b>3,538,478</b>	<b>12,600</b>	<b>3,551,078</b>
	2022	4,086,498	12,000	4,098,498

(53) Other benefits for NEDs include due diligence fees paid to Mr Coleman and Ms Hinchliffe of \$A6,300 each in FY2023 (FY2022: \$A12,000 due diligence fees paid to Mr Coleman).

(54) Ms Broadbent ceased to be a member of the BRIC on 1 June 2022.

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

(56) Mr Coffey ceased to be a member of the BAC and BRC and became a member of the BGCC on 1 June 2022.

(57) Mr Coleman ceased to be a member of the MGL Board on 28 July 2022, at which point he became a BOND. BOND fees are received from MBL and are set out in the 2023 MBL Annual Report.

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

(59) Ms Hinchliffe was appointed to the MGL and MBL Boards as an Independent Voting Director and became a member of the BAC, the BRIC and the BNC on 1 March 2022.

Ms Hinchliffe ceased to be a member of the BRIC on 1 June 2022. She became a member of the BGCC and Chair of the BAC on 28 July 2022.

(60) Ms McGrath became a member of the BRC on 1 June 2022.

(61) Mr Roche became a member of the BAC on 1 June 2022.

(62) Mr Stevens became Chair of the MGL and MBL Boards on 10 May 2022. He ceased to be a member of the BAC and BRIC on 1 June 2022.

(63) Mr Warne retired from his roles as Chair and Independent Voting Director of the MGL and MBL Boards on 9 May 2022.

# 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 2022 <sup>(64)</sup>	Shares received on withdrawal from the MEREP <sup>(65)</sup>	Other changes <sup>(66)</sup>	Number of shares held at 31 March 2023 <sup>(67),(68)</sup>
<b>Executive Voting Director</b>				
S.R. Wikramanayake	1,007,159	80,935	-	<b>1,088,094</b>
<b>Non-Executive Directors</b>				
J.R. Broadbent AC	16,062	-	-	<b>16,062</b>
P.M. Coffey	8,895	-	-	<b>8,895</b>
M.J. Coleman <sup>(69)</sup>	9,655	1,118	(463)	<b>10,310</b>
M.A. Hinchliffe	-	-	2,127	<b>2,127</b>
R.J. McGrath	2,210	-	540	<b>2,750</b>
M. Roche	2,156	-	1,348	<b>3,504</b>
G.R. Stevens AC	4,847	-	1,000	<b>5,847</b>
N.M. Wakefield Evans AM	7,267	-	-	<b>7,267</b>
P.H. Warne	14,933	-	-	<b>14,933</b>
<b>Executives</b>				
G.N. Bruce	-	-	69	<b>69</b>
A. Cassidy	18	3,097	(3,097)	<b>18</b>
S.D. Green	232	6,150	(6,150)	<b>232</b>
A.H. Harvey	28,843	42,633	(71,476)	<b>-</b>
N. O'Kane	6,386	97,126	(96,672)	<b>6,840</b>
M.J. Silvertown	19,802	28,150	(43,290)	<b>4,662</b>
N. Sorbara	9,384	41,524	(41,524)	<b>9,384</b>
G.C. Ward	-	56,754	(56,754)	<b>-</b>
B.I. Way	4,175	10,312	(14,487)	<b>-</b>

(64) Or date of appointment if later.

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

(66) Includes on market acquisitions and disposals.

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

(68) 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 on page 148.

(69) 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 awards to KMP

The following table sets out details of the RSU 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. RSUs are units comprising a beneficial interest in MGL ordinary shares held in a trust for the staff member. 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 awards are subject to forfeiture as set out on page 110.

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 109 to 110. RSUs are granted in the financial year following the year of Macquarie's performance to which the grant relates. For example, RSUs granted to KMP in June 2022 relate to their performance in FY2022. All awards that were eligible to vest, vested during the year. No awards were forfeited during the year.

Name and position	RSU awards granted to date	Grant date	Number vested during the year <sup>(70)</sup>
<b>Executive Voting Director</b>			
S.R. Wikramanayake	<b>106,628</b>	<b>02-Aug-22</b>	-
	94,193	03-Aug-21	-
	139,266	04-Aug-20	-
	65,003	15-Aug-19	13,000
	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	8,524
<b>Executives</b>			
G.N. Bruce	<b>2,094</b>	<b>21-Jun-22</b>	-
A. Cassidy	<b>7,997</b>	<b>21-Jun-22</b>	-
S.D. Green	<b>7,837</b>	<b>21-Jun-22</b>	-
A.H. Harvey	<b>23,191</b>	<b>21-Jun-22</b>	-
	21,709	09-Jun-21	-
	45,661	09-Jun-20	-
	25,945	24-Jun-19	5,189
	27,009	21-Jun-18	5,401
N. O'Kane	<b>113,559</b>	<b>21-Jun-22</b>	-
	89,324	09-Jun-21	-
	148,994	09-Jun-20	-
	91,106	24-Jun-19	18,221
	61,902	21-Jun-18	12,380
M.J. Silverton	<b>54,263</b>	<b>21-Jun-22</b>	-
	21,836	09-Jun-21	-
	37,375	09-Jun-20	-
	37,138	24-Jun-19	7,427
N. Sorbara	<b>23,191</b>	<b>21-Jun-22</b>	-
	21,709	09-Jun-21	-
	45,661	09-Jun-20	-
	25,945	24-Jun-19	5,189
	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	3,704

(70) For RSUs, this represents RSUs vesting 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 awards granted to date	Grant date	Number vested during the year <sup>(70)</sup>
G.C. Ward	<b>25,590</b>	<b>21-Jun-22</b>	-
	25,466	09-Jun-21	-
	57,499	09-Jun-20	-
	31,618	24-Jun-19	6,323
	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	5,290
B.I. Way	<b>26,863</b>	<b>21-Jun-22</b>	-
	8,877	09-Jun-21	-

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

## 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			EXERCISED DURING THE FINANCIAL YEAR	
	Number	Date	Accounting Fair Value \$A <sup>(71)</sup>	Face Value \$A <sup>(72)</sup>	Number	%	Value \$A	Number exercised	Value \$A <sup>(73)</sup>
<b>Executive Voting Director</b>									
S.R. Wikramanayake	<b>22,363</b>	<b>02-Aug-22</b>	<b>3,500,704</b>	<b>3,999,846</b>	-	-	-	-	-
	20,278	03-Aug-21	2,718,063	3,164,585	-	-	-	-	-
	32,575	04-Aug-20	3,423,307	4,079,693	-	-	-	-	-
	34,198	15-Aug-19	3,385,267	4,035,364	-	-	-	17,099	3,058,327
	23,561	15-Aug-18	2,466,207	2,956,906	-	-	-	11,781	2,107,150
<b>Executives</b>									
G.N. Bruce	<b>7,827</b>	<b>02-Aug-22</b>	<b>1,225,239</b>	<b>1,399,937</b>	-	-	-	-	-
A. Cassidy	<b>15,654</b>	<b>02-Aug-22</b>	<b>2,450,477</b>	<b>2,799,874</b>	-	-	-	-	-
S.D. Green	<b>15,654</b>	<b>02-Aug-22</b>	<b>2,450,477</b>	<b>2,799,874</b>	-	-	-	-	-
A.H. Harvey	<b>15,654</b>	<b>02-Aug-22</b>	<b>2,450,477</b>	<b>2,799,874</b>	-	-	-	-	-
	14,195	03-Aug-21	1,902,698	2,215,272	-	-	-	-	-
	16,223	04-Aug-20	1,704,875	2,031,769	-	-	-	-	-
	17,032	15-Aug-19	1,686,001	2,009,776	-	-	-	8,516	1,540,191
	16,624	15-Aug-18	1,740,089	2,086,312	-	-	-	8,312	1,488,347
N. O'Kane	<b>15,654</b>	<b>02-Aug-22</b>	<b>2,450,477</b>	<b>2,799,874</b>	-	-	-	-	-
	14,195	03-Aug-21	1,902,698	2,215,272	-	-	-	-	-
	22,994	04-Aug-20	2,416,439	2,879,769	-	-	-	-	-
	24,139	15-Aug-19	2,389,524	2,848,402	-	-	-	12,069	2,159,023
	23,561	15-Aug-18	2,466,207	2,956,906	-	-	-	11,781	2,104,204
M.J. Silverton	<b>15,654</b>	<b>02-Aug-22</b>	<b>2,450,477</b>	<b>2,799,874</b>	-	-	-	-	-
	14,195	03-Aug-21	1,902,698	2,215,272	-	-	-	-	-
	22,994	04-Aug-20	2,416,439	2,879,769	-	-	-	-	-
N. Sorbara	<b>15,654</b>	<b>02-Aug-22</b>	<b>2,450,477</b>	<b>2,799,874</b>	-	-	-	-	-
	14,195	03-Aug-21	1,902,698	2,215,272	-	-	-	-	-
	16,223	04-Aug-20	1,704,875	2,031,769	-	-	-	-	-
	17,032	15-Aug-19	1,686,001	2,009,776	-	-	-	8,516	1,524,875
	16,624	15-Aug-18	1,740,089	2,086,312	-	-	-	8,312	1,488,347
G.C. Ward	<b>15,654</b>	<b>02-Aug-22</b>	<b>2,450,477</b>	<b>2,799,874</b>	-	-	-	-	-
	14,195	03-Aug-21	1,902,698	2,215,272	-	-	-	-	-
	22,994	04-Aug-20	2,416,439	2,879,769	-	-	-	-	-
	24,139	15-Aug-19	2,389,524	2,848,402	-	-	-	12,069	2,178,408
	23,561	15-Aug-18	2,466,207	2,956,906	-	-	-	11,781	2,126,422
B.I. Way	<b>15,654</b>	<b>02-Aug-22</b>	<b>2,450,477</b>	<b>2,799,874</b>	-	-	-	-	-

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

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

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

# Remuneration report

Continued

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 accounting fair value of \$A156.54 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	3.13% per annum
Expected vesting dates	1 July 2026
Dividend yield	3.30% per annum

PSUs have a nil exercise price. PSUs awarded from FY2020 vest in four years as set out on page 112 while PSUs awarded prior to FY2020 vest on a pro-rata basis as set out on page 112, footnote 11. For the 2022 grant, it will vest on 1 July 2026. The PSUs expire on 2 August 2031.

## MEREP awards of KMP and their related parties

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

Name and position	Type of Award	Number of Awards held at 1 April 2022	Awards granted during the financial year <sup>(74)</sup>	Awards vested/ exercised during the financial year <sup>(75),(76)</sup>	Awards forfeited or not able to be exercised during the financial year	Number of Awards held as at 31 March 2023
<b>Executive Voting Director</b>						
S.R. Wikramanayake	RSU	397,522	106,628	(52,055)	-	<b>452,095</b>
	PSU	98,832	22,363	(28,880)	-	<b>92,315</b>
<b>Executives</b>						
G.N. Bruce	RSU	947	2,094	-	-	<b>3,041</b>
	PSU	-	7,827	-	-	<b>7,827</b>
A. Cassidy	RSU	11,782	7,997	(3,097)	-	<b>16,682</b>
	PSU	-	15,654	-	-	<b>15,654</b>
S.D. Green	RSU	27,951	7,837	(6,150)	-	<b>29,638</b>
	PSU	-	15,654	-	-	<b>15,654</b>
A.H. Harvey	RSU	145,428	23,191	(25,805)	-	<b>142,814</b>
	PSU	55,762	15,654	(16,828)	-	<b>54,588</b>
N. O'Kane	RSU	461,022	113,559	(73,276)	-	<b>501,305</b>
	PSU	73,109	15,654	(23,850)	-	<b>64,913</b>
M.J. Silverton	RSU	129,035	54,263	(28,150)	-	<b>155,148</b>
	PSU	37,189	15,654	-	-	<b>52,843</b>
N. Sorbara	RSU	144,830	23,191	(24,696)	-	<b>143,325</b>
	PSU	55,762	15,654	(16,828)	-	<b>54,588</b>
G.C. Ward	RSU	183,901	25,590	(32,904)	-	<b>176,587</b>
	PSU	73,109	15,654	(23,850)	-	<b>64,913</b>
B.I. Way	RSU	51,792	26,863	(10,312)	-	<b>68,343</b>
	PSU	-	15,654	-	-	<b>15,654</b>



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

(74) RSU awards are granted in the financial year following the year of the Company's performance to which the grant relates. RSUs disclosed as granted above relate to FY2022. 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 2022 AGM as required under ASX Listing Rule 10.14.

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

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

## 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 2022 <sup>(77)</sup> \$A'000	Interest charged \$A'000	Write downs \$A'000	Balance as at 31 March 2023 <sup>(78)</sup> \$A'000	Highest balance during the year \$A'000
<b>Non-Executive Directors</b>					
N.M. Wakefield Evans AM (related party)	4,638	89	-	4,489	4,638
P.H. Warne (related party)	441	1	-	440	441
<b>Executives</b>					
A. Cassidy	3,671	141	-	3,568	3,671
A.H. Harvey	8,000	106	-	8,000	8,000
M.J. Silverton	192	7	-	172	192
Aggregate of KMP and related party loans <sup>(79)</sup>	16,944	344	-	16,731	17,005

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 2014 through to 31 March 2023 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 all loans to KMP (including their related parties) and the table above details KMP (including their related parties) with loans above \$A100,000 during FY2023. 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.