
Directors' Report – Remuneration Report

for the financial year ended 31 March 2014

Executive summary.....	46
Introduction.....	48
1 Macquarie's remuneration framework, with only incremental change, continues to support the overarching objective of delivering superior value for shareholders over the long-term, while prudently managing risk.....	49
1.1 Macquarie's overall remuneration objectives remain appropriate	49
1.2 The remuneration framework is appropriate	49
1.3 The remuneration framework operates effectively.....	51
2 Remuneration outcomes are aligned to business results and shareholder returns.....	59
3 Macquarie's performance has been strong relative to peers	61
3.1 Macquarie's increase in NPAT over the long term is above the majority of peers	61
3.2 ROE is well above the peer average	62
3.3 Macquarie's TSR compares favourably to peers.....	63
3.4 Macquarie's compensation expense to income ratio is in the lower half of peers	64
3.5 Staff retention has been high, especially at Director level.....	65
4 Strong remuneration governance continues to be exercised.....	67
4.1 Strong Board oversight exists to ensure sound overall remuneration governance	67
4.2 An independent remuneration review has been undertaken.....	69
5 Non-Executive Director remuneration continues to recognise their independent role.....	70
5.1 Non-Executive Director remuneration policy.....	70
5.2 Board and Committee fees	70
5.3 Minimum shareholding requirement for Non-Executive Directors	71
Appendices: Key Management Personnel (KMP) disclosures.....	72
Appendix 1: KMP	72
Appendix 2: Statutory remuneration disclosures	73
Appendix 3: Share and option disclosures	78