## Directors' Report – Remuneration Report for the financial year ended 31 March 2013

Executive summary Introduction		42
		44
1	1 Macquarie's remuneration framework and approach appropriately supports the overarching objective	e of
	delivering superior value for shareholders over the long-term while prudently managing risk	45
	1.1 Macquarie's overall remuneration objectives remain appropriate	45
	1.2 The remuneration framework is appropriate	45
	1.3 The way the remuneration framework operates is appropriate	47
	1.3.1 How the features operate together to provide shareholder alignment	47
	1.3.2 Profit share retention levels	48
	1.3.3 Investment of retained profit share	49
	1.3.4 Forfeiture of retained profit share for employees (Malus)	50
	1.3.5 Early vesting and release of retained profit share	50
	<ul><li>1.3.6 Performance share units (PSUs)</li><li>1.3.7 No special contractual termination payments</li></ul>	52 54
2		04
2	appropriately managing remuneration for staff	55
3		58
4	4 Strong remuneration governance has been exercised	62
	4.1 Strong Board oversight exists to ensure sound overall remuneration governance	62
	4.2 An independent remuneration review has been undertaken	64
5	Non-Executive Directors continue to be recognised for their role	65
	5.1 Non-Executive Director remuneration policy	65
	5.2 Board and Committee fees	65
	5.3 Minimum shareholding requirement for Non-Executive Directors	66
Аp	Appendices: Key Management Personnel (KMP) disclosures	67
Appendix 1: KMP		67
Appendix 2: Supplementary remuneration disclosures		68
Appendix 3: Statutory Remuneration disclosures		69
Ар	Appendix 4: Share and option disclosures	74