

Directors' Report – Remuneration Report

for the financial year ended 31 March 2014

continued

5 Non-Executive Director remuneration continues to recognise their independent role

Macquarie's remuneration approach ensures that the Non-Executive Directors are appropriately remunerated. The remuneration arrangements applicable to Non-Executive Directors, as outlined in this section, differ from the arrangements applicable to Executives reflecting their different role.

5.1 Non-Executive Director remuneration policy

The overall objective of Macquarie's Non-Executive Director remuneration policy is to ensure that Non-Executive Directors are remunerated appropriately. It is achieved by:

- setting Board and Committee fees taking into account market rates for relevant Australian financial organisations for the time commitment and responsibilities involved
- delivering these fees in a form that is not contingent on Macquarie's performance.

Unlike Macquarie executives, Non-Executive Directors are not granted equity, nor are they eligible to receive profit share payments. There are no, nor have there ever been, termination payments to Non-Executive Directors on their retirement from office other than payments relating to their accrued superannuation contributions comprising part of their remuneration.

The CEO is not remunerated for acting as a Voting Director.

Voting Directors are required at least annually to disclose their financing arrangements relating to their Macquarie securities to Macquarie.

All Non-Executive Directors of Macquarie Group Limited are also Non-Executive Directors of Macquarie Bank Limited. This policy governs the remuneration of Non-Executive Directors of both Macquarie and Macquarie Bank.

5.2 Board and Committee fees

Non-Executive Directors are remunerated via Board and Committee fees which are reviewed annually. Per diem fees may also be paid from time to time for approved additional work. An internal review of Non-Executive Directors' remuneration was completed during the reporting period to ensure that it was in line with market rates for relevant Australian financial organisations and consistent with market trends. The BRC and the Board evaluated the analyses and the conclusions reached. Following this review, it was determined that Board and Committee fees should remain unchanged.

Macquarie and Macquarie Bank Fees

	Macquarie fees		Macquarie Bank fees		Total fees	
	\$A Chairman	\$A Member	\$A Chairman	\$A Member	\$A Chairman ⁽¹⁾	\$A Member
Board	585,000	165,000	240,000	65,000	825,000	230,000
Board Risk Committee ⁽²⁾	70,000	30,000	n.a.	n.a.	70,000	30,000
Board Audit Committee ⁽²⁾	70,000	30,000	n.a.	n.a.	70,000	30,000
Board Remuneration Committee ⁽²⁾	70,000	30,000	n.a.	n.a.	70,000	30,000
Board Governance and Compliance Committee ⁽²⁾	57,500	25,000	n.a.	n.a.	57,500	25,000
Board Nominating Committee ⁽²⁾	n.a. ⁽³⁾	8,000	n.a.	n.a.	n.a. ⁽³⁾	8,000

⁽¹⁾ The Chairman attends Committee meetings but is not paid separate Committee fees.

⁽²⁾ Macquarie Group Limited has five standing Board committees. The Macquarie Board Audit Committee is a joint committee of Macquarie Group Limited and Macquarie Bank and the BRC also supports both Boards.

⁽³⁾ No separate fee is paid for this role as it is filled by the Chairman.