



# Macquarie Group Limited Board Remuneration Committee Charter

**Date: 1 June 2024**

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## 1. Role

- 1.1 The Board Remuneration Committee (the “Committee”) of Macquarie Group Limited (“MGL” or “Macquarie”), is a Committee of the Board of Voting Directors (the “Directors”) of MGL (the “Board”).
- 1.2 The objectives of the Committee include making recommendations to the Board that promote appropriate remuneration policies and practices for Macquarie and its subsidiaries (the “Group”) and to oversee that these remuneration policies and practices:
- a. are appropriate from Macquarie’s shareholders’ perspective and align with, support and reinforce the interests of shareholders and staff to promote the Group’s sustainable performance in a manner that supports the long-term soundness of Macquarie;
  - b. drive behaviours that support the Group’s risk management framework and promote accountability for decisions and reinforce the desired culture which is consistent with and promotes the *Group’s Code of Conduct*;
  - c. align remuneration outcomes with the Group’s financial and non-financial outcomes, reward appropriate conduct and apply consequences for inappropriate conduct assessed by reference to adverse outcomes for customers, clients, staff, shareholders and communities in which the Group operates;
  - d. are structured to assist in attracting, retaining and motivating staff who are critical to Macquarie’s success;
  - e. promote the accountability of staff for the business and customer outcomes they deliver by encouraging a long-term perspective;
  - f. are consistent with agreed Macquarie policies, including Human Resources policies;
  - g. are applied fairly; and
  - h. comply with relevant legal and regulatory requirements globally, including applicable Australian Prudential Regulation Authority (“APRA”) prudential standards and the Financial Accountability Regime (“FAR”).

## 2. Allocation of responsibilities between Board Committees

- 2.1 The allocation of responsibilities between Board committees is described in the Macquarie Board Charter.

## 3. Responsibilities

To accomplish its role:

### Remuneration framework and design

- 3.1 The Committee has responsibility for overseeing the design of Macquarie’s remuneration framework on behalf of the Board. This includes conducting regular reviews of remuneration matters that require Board approval or oversight in accordance with applicable APRA prudential standards, being:
- a. reviewing the Macquarie Group Limited Remuneration Policy (the “Remuneration Policy”) and recommending it to the Board for approval annually;
  - b. assessing the outcome of an independent review of the Remuneration Policy for compliance with legal, governance and regulatory requirements annually;
  - c. assessing the effectiveness of the Remuneration Policy through a comprehensive review by operationally independent, appropriately experienced and competent persons at least every three years; and
  - d. overseeing the design of variable remuneration arrangements for persons specified in applicable APRA prudential standards.

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- 3.2 The Committee has responsibility for overseeing the design of remuneration arrangements of relevant nominated individuals for each regulated subsidiary or branch for which the Committee acts as the remuneration committee.
- 3.3 The Committee reviews and approves certain changes to the Remuneration Policy outside of the annual approval cycle by the Board (as set out in 3.1.a).
- 3.4 The Committee has responsibility for overseeing the use of appropriate levels of delegated responsibility from the Board to management for remuneration-related policies and practice decisions.

#### **Remuneration outcomes**

- 3.5 The Committee has responsibility for reviewing and making annual recommendations to the Board, in relation to the following remuneration outcomes that, in accordance with APRA's prudential standards, require Board approval:
- a. individual remuneration recommendations, collectively known as "Specific Remuneration Recommendations" (including fixed remuneration levels, profit share outcomes and where applicable, Performance Share Unit grants) for:
    - i. the Managing Director and Chief Executive Officer of Macquarie;
    - ii. the members of Macquarie's Executive Committee;
    - iii. any Executive Voting Directors of Macquarie;
    - iv. "Accountable Persons" (as defined in FAR) or "senior managers" (as defined in APRA prudential standards) of MGL not otherwise included above;
    - v. staff identified as being "material risk takers" (as defined in APRA prudential standards) of MGL; and
    - vi. other relevant nominated individuals for each regulated subsidiary or branch that has delegated oversight to the Committee or where specifically required by regulatory standards,noting that certain awards to Executive Voting Directors (including the Managing Director and Chief Executive Officer of Macquarie) may require shareholder approval; and
  - b. cohort remuneration recommendations (including fixed remuneration levels and profit share outcomes) for groups of individuals specifically covered by regulatory standards, including "risk and financial control personnel" ("Cohort Remuneration Recommendations").
- 3.6 When determining its recommendations under 3.5, the Committee considers performance and risk outcomes and consults with:
- a. the Chief Risk Officer and the Head of Internal Audit, and
  - b. the Board Risk Committee, the Board Governance and Compliance Committee and the Board Audit Committee,
- to ensure financial and non-financial risk outcomes are appropriately reflected in remuneration outcomes.
- 3.7 The Committee:
- a. reviews profit share recommendations for individuals above certain thresholds (as determined by the Committee);
  - b. reviews remuneration recommendations relating to individuals or groups of individuals which are disclosed publicly or are significant because of their sensitivity, precedent implications or exceptional circumstances (as determined by the Committee);
  - c. reviews and approves remuneration recommendations made outside of policy relating to individuals or groups of individuals subject to the Specific Remuneration Recommendations and the Cohort Remuneration Recommendations referred to above; and
  - d. reviews and approves the standard number or value of Director promotion equity grants to staff.
- 3.8 The Committee oversees the process for the annual review by the Board of the Managing Director and Chief Executive Officer of Macquarie and other members of Macquarie's Executive Committee.

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### **Non-Executive Director remuneration**

- 3.9 The Committee has responsibility for reviewing and making recommendations to the Board relating to:
- a. the remuneration framework for the Non-Executive Directors of Macquarie; and
  - b. remuneration recommendations for Non-Executive Director fees.

### **Remuneration reporting and disclosures**

- 3.10 The Committee has responsibility for reviewing the Remuneration Report of Macquarie with management and the external auditors and recommending the report to the Board Audit Committee. The Committee also has the responsibility for confirming to the Board Audit Committee that the report is prepared in accordance with the Corporations Act 2001 (Cth), including complying with relevant accounting standards, the Corporations Regulations 2001 (Cth) and other mandatory professional reporting requirements.

### **Human Resources reporting**

- 3.11 The Committee assists the Board by reviewing the Human Capital Report, the Gender and Ethnicity Pay Review, the Annual Diversity Report and other Human Resources-related reports.

### **Engagement of remuneration consultants**

- 3.12 The Committee approves the engagement of independent remuneration consultants when obtaining advice on the appropriateness of remuneration packages and other employment conditions as required for KMP. The Chair of the Committee will be responsible for liaising on behalf of the Committee with consultants advising the Committee and ensuring that appropriate processes are followed.

### **Availability to meet with APRA**

- 3.13 The Committee must be available to meet with APRA after notification to the Chair of the Committee.

### **Regulated Group subsidiary boards**

- 3.14 The board of any subsidiary may delegate to the Committee its board remuneration committee function in accordance with relevant regulatory requirements. In such circumstances, these boards will have free and unfettered access to the Committee.

### **Periodic Review**

- 3.15 The Committee reviews the Committee Charter annually and recommends any proposed changes to the Macquarie Board for approval.
- 3.16 The Committee conducts a periodic, but at least biennial, evaluation of the Committee's performance and the extent to which the Committee has met its responsibilities set out in this Charter.

## **4. Membership**

- 4.1 The Committee will consist of at least three Non-Executive Directors ("Committee Members"). A majority of Committee Members, including the Chair, must be Independent Directors as defined by Macquarie's Policy on Director Independence.

### **Chair**

- 4.2 One Committee Member will be appointed Chair of the Committee by the Board. If the Chair of the Committee is not present at a meeting of the Committee, the Committee Members present may elect another Committee Member to act as Chair for that meeting.
- 4.3 The role of the Chair of the Committee is to:
- a. oversee the proper functioning of the Committee, including the proper conduct of meetings;
  - b. advise the Board on the Committee's recommendations to the Board on matters falling within the scope of the Committee's responsibilities;
  - c. refer matters relating to the duties and responsibilities of other Board committees to the appropriate committee; and
  - d. meet with external stakeholders on behalf of the Committee, including investors and governance/proxy advisory firms.

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## 5. Meetings

### Frequency of meetings

- 5.1 The Committee will hold at least four regular meetings each year and any additional meetings that the Chair of the Committee considers are appropriate for the Committee to fulfil its responsibilities.
- 5.2 The Chair of the Committee is required to convene a meeting of the Committee if requested to do so by:
  - a. the Managing Director and Chief Executive Officer of Macquarie; or
  - b. any Director.

### Attendance by non-Committee members

- 5.3 All Directors may attend Committee meetings.
- 5.4 The Managing Director and Chief Executive Officer of Macquarie will be invited to attend Committee meetings but will have no voting rights.
- 5.5 Members of management and/or parties external to the Group may be invited to attend any meeting of the Committee.
- 5.6 Non-Committee members may be asked to withdraw from all or any part of a meeting.

### Meetings other than in person

- 5.7 Where deemed appropriate by the Chair of the Committee, meetings may occur via conference call or other electronic means and approvals and recommendations may occur via written resolution.

### Secretary

- 5.8 The Macquarie Company Secretary (or their delegate as approved by the Committee) will act as Secretary of the Committee and is responsible, in conjunction with the Chair of the Committee, for preparing the agenda (supported by explanatory documentation and papers) and circulating the Committee papers to Committee Members prior to each meeting. Directors may request papers for or from any Committee meeting and will be notified in advance of the agenda of forthcoming meetings.
- 5.9 The Secretary is responsible for keeping the minutes of meetings of the Committee and circulating them to the Chair of the Committee for review, and to other Committee Members, the other members of the Board and other Committee meeting attendees as appropriate.

### Conflicts

- 5.10 The Board approved guidelines for Board members declaring and dealing with actual and/or potential conflicts of interest will apply to meetings of the Committee.

### Quorum

- 5.11 A quorum will consist of not less than half of the Committee Members eligible to vote on a matter.

## 6. Access

- 6.1 The Committee shall have free and unfettered access to all personnel (including risk and financial control personnel) and other parties (internal and external), including the external auditor, as required by the Committee to carry out its duties.
- 6.2 Committee Members may seek independent professional advice where they consider it necessary to carry out their duties and responsibilities. Any costs incurred as a result will be borne by Macquarie subject to the estimated costs being approved by the Chair of the Board, in advance, as being reasonable.

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## 7. Reporting and co-ordination

- 7.1 The Committee, through its Chair, will advise, report and make recommendations to the Board and other Board committees, in particular the Board Risk Committee, on matters falling within the scope of their responsibilities. This advice may be in the form of minutes of its meetings, supporting papers, and written or verbal reports at Board and Board committee meetings.
- 7.2 The Committee shall consider any recommendations by, or any matters referred from, other Board committees.