



Macquarie Group Notice of 2022 Annual General Meeting

10:30am Thursday, 28 July 2022

Macquarie Group Limited ACN 122 169 279

For personal use only



Macquarie Group Limited

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MACQUARIE

10 June 2022

Dear Shareholder

Please find enclosed notice of the 2022 Annual General Meeting (AGM) of Macquarie Group Limited (Macquarie) which will take place on Thursday, 28 July 2022 at 10:30 am (AEST) online at web.lumiagm.com and in person at the Grand Hyatt Melbourne, Savoy Ballroom, Level 8, 123 Collins Street, Melbourne, Victoria, 3000.

Macquarie continues to monitor the ongoing risks of COVID-19. In the interests of the health and safety of shareholders, staff and other potential attendees and given the changeability of rules relating to large in-person gatherings, the Board has decided to hold this year's meeting as a hybrid meeting. While shareholders will be provided with alternatives for participation, and are welcome to attend the meeting in person, we are encouraging online participation in light of the uncertainties COVID-19 still presents.

Please note that should Federal or State Government guidance change to restrict the ability of shareholders to attend in person, we will advise shareholders of alternate arrangements via an announcement to the ASX and on our website.

As with last year's AGM, the online facility will allow shareholders to watch the AGM live, cast a direct vote during the meeting and to ask questions or make comments online. The online facility will also provide the opportunity to ask audible questions during the meeting. Information on how to participate is provided on the following pages and at the following web address: macq.co/agm2022. The AGM will also be webcast live on Macquarie's website at macquarie.com and will be recorded for later viewing on Macquarie's website.

Macquarie Managing Director and Chief Executive Officer, Shemara Wikramanayake, and I will comment briefly on the performance of Macquarie Group during the year to 31 March 2022 at the meeting. Further comments and detailed information are provided in Macquarie's 2022 Annual Report, which is available on Macquarie's website. The meeting will cover the items of business detailed in this document. Each of the Directors standing for election or re-election will also address the meeting.

If you plan to attend the meeting in person, please bring the enclosed proxy form with you to facilitate your registration, which will commence at 9.45 am. I look forward to speaking to my first AGM as your Chair.

Yours faithfully

Glenn Stevens
Chair

How to participate in the AGM

The Macquarie Group Limited (Macquarie) Annual General Meeting (AGM) will be held at 10:30 am (AEST) on Thursday, 28 July 2022. There are a number of ways shareholders and interested parties can participate in the AGM:

- **online:** shareholders and proxyholders are encouraged to participate in the AGM online, which will allow them to view a live webcast, ask written or audible questions and vote during the meeting
- **in person:** subject to any COVID-19 restrictions then in place, shareholders and proxyholders are welcome to attend the meeting in person at the Grand Hyatt Melbourne, Savoy Ballroom, Level 8, 123 Collins Street, Melbourne VIC 3000, where they may ask questions and vote
- **webcast:** for viewing the meeting live, however it does not provide for asking questions or voting.

Please note that there may be a 15-30 second delay when attending online or watching the webcast.

Proxy voting and proxyholder participation

Macquarie encourages all shareholders to submit a proxy vote online ahead of the meeting. Proxy votes can be lodged at investorcentre.linkmarketservices.com.au

Further information on lodging a proxy vote ahead of the meeting is available on page 5 of this Notice of Meeting booklet.

Proxyholders will need to contact Macquarie's share registry, Link Market Services Limited (Link), on 1300 554 096 (within Australia) or +61 1300 554 096 (internationally) to obtain their login details to participate live online.

Questions

Please note, only shareholders and proxyholders may ask questions, once they have been verified. It may not be possible to respond to all questions. Shareholders may also lodge questions prior to the meeting by logging into investorcentre.linkmarketservices.com.au and clicking on 'Ask a question' by 10:30 am (AEST) on Tuesday, 26 July 2022.

How to participate live online



Login

Shareholders and proxyholders may watch and participate in the AGM via the online platform by using a **computer or mobile device:**

enter the following URL in your browser: web.lumiagm.com using the latest version of Chrome, Safari, Edge or Firefox or click the following link:

web.lumiagm.com/346571356

The meeting ID for Macquarie's AGM is: 346-571-356

You will then need to enter your SRN/HIN and postcode.

Your SRN/HIN is printed on your Proxy Form.

Your postcode is your postcode registered on your holding if you are an Australian shareholder. For overseas shareholders, you should enter your "country code" which can be found in the online User Guide available at macq.co/agm2022

Proxyholders will need to contact Macquarie's share registry, Link, on 1300 554 096 or +61 1300 554 096 to obtain their login details to participate live online.

Non-shareholders may login using the guest portal on the Lumi AGM platform.

Online registration will open at 9:45 am (AEST) on Thursday, 28 July 2022 (45 minutes before the meeting).



Direct voting online

Once polls are open, shareholders can cast a direct vote by clicking on the bar chart icon.



Ask a question online

Click this icon for the submission of written questions. Questions may be moderated or amalgamated if there are multiple questions on the same topic.



Ask an audible question

Click on the link in the 'Asking audio questions' on the Welcome page. You'll be asked to pause your webcast and then be redirected to an audio-only environment. Here you will enter your details and wait to be called to ask your question.



For further detail, please refer to the user guide on our website at macq.co/agm2022



Webcast

The meeting will be webcast live on the Macquarie website.

Non-shareholders may view the webcast by registering online as a guest.

The webcast is 'view only'. Those viewing the webcast through the Macquarie website will not be able to vote or ask questions.

The meeting will also be recorded and will be available on the Macquarie website shortly after the event.



Access the live webcast and subsequent recording at macquarie.com

How to participate in person at the venue



Those attending the meeting in person will be issued with a handset from Lumi upon registration. The handset allows eligible attendees to cast a direct vote and ask questions.

Questions

- To join the queue, press the  icon, followed by  to confirm. Your microphone will turn on when you reach the front of the queue. You may then ask your question.
- To leave the queue, press  and confirm your choice by pressing .

Voting

- When voting opens, use the scroll wheel to highlight the resolution you wish to vote on, then press .
- Once you have read the resolution, press  to see the voting options.
- Press 1 to vote FOR, 2 to vote AGAINST or 3 to ABSTAIN.
- Press  to move on to the next resolution or  to return to the full list of resolutions.



For personal use only

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Notice of Meeting

Sotra Link, Norway

Macquarie Capital is the lead sponsor and equity investor in Sotra Link, an extensive new state-of-the-art bridge and tunnel system in Norway that focuses on traffic safety, public transport, and sustainability.



Notice of Meeting

The 2022 Annual General Meeting (AGM) of Macquarie Group Limited (ACN 122 169 279) (Macquarie, MGL, the Company) will take place on Thursday, 28 July 2022, at 10:30 am (AEST) online at web.lumiagm.com and in person at the Grand Hyatt Melbourne, Savoy Ballroom, Level 8, 123 Collins St, Melbourne, Victoria, 3000. Registration will commence at 9:45 am (AEST) on the day.

Items of business

1. Financial statements

To consider and receive the Financial Report, the Directors' Report and the Auditor's Report of Macquarie for the financial year ended 31 March 2022.

2. Election and Re-Election of Voting Directors

2a. Re-election of Ms JR Broadbent as a Voting Director retiring by rotation

To consider and, if thought fit, pass the following as an ordinary resolution:

That Ms JR Broadbent be re-elected as a Voting Director of Macquarie.

2b. Re-election of Mr PM Coffey as a Voting Director retiring by rotation

To consider and, if thought fit, pass the following as an ordinary resolution:

That Mr PM Coffey be re-elected as a Voting Director of Macquarie.

2c. Election of Ms MA Hinchliffe as a Voting Director

To consider and, if thought fit, pass the following as an ordinary resolution:

That Ms MA Hinchliffe, having been appointed as a Voting Director since the last Annual General Meeting, be elected as a Voting Director of Macquarie.

3. Adoption of the Remuneration Report

To consider and, if thought fit, pass the following as an ordinary resolution:

To adopt the Remuneration Report of Macquarie for the year ended 31 March 2022.

4. Approval of Managing Director's participation in the Macquarie Group Employee Retained Equity Plan (MEREP)

To consider and, if thought fit, pass the following as an ordinary resolution:

That the following be approved for all purposes:

- (a) participation in the MEREP by Ms S Wikramanayake, Managing Director and Chief Executive Officer; and
- (b) acquisition by Ms S Wikramanayake of Restricted Share Units and Performance Share Units and the acquisition of shares in the Company in respect of those Restricted Share Units and Performance Share Units,

all in accordance with the terms of the MEREP and on the basis described in the Explanatory Notes to the Notice of Meeting convening this meeting.

Chairman's voting intention

The Chairman of the Meeting intends to vote undirected proxies **in favour of Items 2a, 2b, 2c, 3 and 4**. There will be no resolution regarding item 1.

Voting exclusions

Item 3 – Adoption of the Remuneration Report

A vote on Item 3 must not be cast (in any capacity) by or on behalf of:

- (a) a member or a former member of the key management personnel (KMP) whose remuneration details are disclosed in Macquarie's 2022 Remuneration Report, or
- (b) a closely related party of such a KMP, unless the vote is cast by a person as proxy for a person entitled to vote in accordance with a direction on the proxy form.

This restriction on voting undirected proxies does not apply to the Chairman of the Meeting acting as proxy for a person entitled to vote on Item 3 because Macquarie's proxy appointment expressly authorises the Chairman of the Meeting to exercise undirected proxies. A closely related party includes close family members and companies the KMP controls.

Notice of Meeting

Continued

Item 4 – Approval of Managing Director’s participation in the Macquarie Group Employee Retained Equity Plan (MEREP)

Macquarie will disregard any votes cast in favour of Item 4 by or on behalf of the Managing Director and Chief Executive Officer (Managing Director) or an associate of the Managing Director. However, this does not apply to a vote cast in favour of Item 4 by:

- (a) the Managing Director or any associate of the Managing Director as proxy or attorney for a person who is entitled to vote on Item 4, in accordance with the directions given to the proxy or attorney to vote on Item 4 in that way; or
- (b) the Chairman of the Meeting, as proxy or attorney for a person who is entitled to vote on Item 4, in accordance with a direction given to the Chairman to vote on Item 4 as the Chairman decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on Item 4; and
 - (ii) the holder votes on Item 4 in accordance with directions given by the beneficiary to the holder to vote in that way.

In addition, a vote must not be cast on Item 4 by a member of the KMP of Macquarie or a closely related party of a KMP, acting as proxy for a person entitled to vote, if their appointment does not specify the way the proxy is to vote on Item 4. This restriction on voting undirected proxies does not apply to the Chairman of the Meeting acting as proxy for a person entitled to vote on Item 4 because Macquarie’s proxy appointment expressly authorises the Chairman of the Meeting to exercise undirected proxies.

By order of the Board



Dennis Leong
Company Secretary

Sydney

10 June 2022

Notes

1. Proxies

Macquarie encourages all shareholders to submit a proxy vote online ahead of the meeting. Shareholders who do so may either participate in the meeting themselves or appoint a proxy to participate for them. A proxy need not be a shareholder of Macquarie. If you are entitled to cast two or more votes, you may nominate two persons to vote on your behalf at the meeting. If two proxies are appointed, each proxy may be appointed to represent a specified number or proportion of your votes. Fractions of votes will be disregarded. If no such number or proportion is specified, each proxy may exercise half your votes.

Votes may be cast ‘For’ or ‘Against’ or you may ‘Abstain’ from voting on a resolution. To direct a proxy how to vote on any resolution, place a mark (e.g. a cross) in the appropriate box on the proxy form or insert the number of shares or percentage of shares that you wish to vote in the appropriate box. A valid voting direction must not exceed the total number of shares held or 100%. If you ‘Abstain’ from voting, your votes will not be counted in computing the required majority on a poll.

For shareholders receiving the Notice of Meeting by post, a proxy form and a reply-paid envelope have been included with this Notice of Meeting. Proxy voting instructions are provided on the proxy form.

A proxy appointment is not revoked by the appointing shareholder participating in the AGM unless the shareholder actually votes on a resolution, in which case, the shareholder’s vote on that resolution will be counted instead of any vote by the proxyholder. If a proxyholder does not participate at the AGM, the Chairman of the AGM will be taken to have been appointed as the proxy for the relevant shareholder in respect of the AGM.

2. Online proxy facility

You may submit your proxy appointment online at investorcentre.linkmarketservices.com.au

Login to the Link website using the holding details as shown on your Proxy Form. To use the online lodgement facility, shareholders will need their “Holder Identifier” (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on your Proxy Form).

You will be taken to have signed the proxy appointment if you lodge it in accordance with the instructions on the website. If you wish to use this facility, you must submit your proxy appointment through the facility by **no later than 10:30 am (AEST) on Tuesday, 26 July 2022**. A proxy cannot be appointed online if they are appointed under a power of attorney or similar authority.

If you wish to appoint a second proxy contact Macquarie’s share registry, Link Market Services, online or on 1300 554 096 (within Australia) or +61 1300 554 096 (internationally). Please read the instructions for the online proxy facility carefully before you submit your proxy appointment using this facility.

Notice of Meeting

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If you receive shareholder communications by email, your Notice of Meeting email will include a link to the online proxy appointment site.

3. Proxy delivery

Completed proxies must be received by Macquarie's share registry, Link Market Services, online or at Link Market Services Limited, Locked Bag A14, Sydney South NSW 1235 (facsimile number +61 2 9287 0309) or at Link Market Services Limited, Parramatta Square, Level 22, Tower 6, 10 Darcy Street, Parramatta NSW 2150 or Level 12, 680 George Street, Sydney NSW 2000 or at Macquarie's registered office in Sydney, by **no later than 10:30 am (AEST) on Tuesday, 26 July 2022**.

Any revocations of proxies (including online proxy appointments) must be received at one of these places before the commencement of the meeting.

4. Power of Attorney

If a shareholder has appointed an attorney to participate and vote at the meeting, or if the proxy is signed by an attorney, the power of attorney (or a certified copy of the power of attorney) must be received by Macquarie's share registry, Link Market Services, at the post office box or facsimile number in Note 3 above, or at Macquarie's registered office in Sydney, by **no later than 10:30 am (AEST) on Tuesday, 26 July 2022**, unless the power of attorney has been previously lodged with Macquarie's share registry.

5. Corporate representatives

If a corporate shareholder wishes to appoint a person to act as its representative at the meeting, that person should be provided with a letter or certificate authorising them as the company's representative (executed in accordance with the company's constitution) or with a copy of the resolution appointing the representative, certified by a secretary or director of the company. A form of appointment of corporate representative may be obtained from Macquarie's share registry, Link Market Services, online at linkmarketservices.com.au or on 1300 554 096 (within Australia) or +61 1300 554 096 (internationally).

The form attaching the letter, certificate or certified resolution referred to above must be received by Link Market Services at Locked Bag A14, Sydney South NSW 1235 (macquarie@linkmarketservices.com.au or facsimile number +61 2 9287 0309), by no later than the commencement of the meeting, unless it has previously been lodged with Macquarie's share registry.

6. Direct voting online during the meeting

Shareholders entitled to vote at the meeting are entitled to vote directly online at any time from when invited by the Chairman at the start of the meeting until the Chairman closes voting at the meeting.

If a shareholder casts a direct vote live during the meeting on a particular resolution, they are taken to have revoked the authority of a proxy, attorney or representative to vote on their behalf on that resolution under an instrument of appointment received by Macquarie before registering online for direct voting or casting a direct vote by using the Lumi handset.

For instructions on how to submit a direct vote online, or voting online as a proxyholder, during the meeting, see page 1.

7. Shareholders eligible to vote

Pursuant to regulation 7.11.37 of the Corporations Regulations 2001 (Cth), the holders of Macquarie's ordinary shares for the purposes of the meeting will be those registered holders of Macquarie's ordinary shares at **7:00 pm (AEST) on Tuesday, 26 July 2022**.

8. Voting at the meeting by poll

Voting on each of the proposed resolutions at this meeting will be conducted by poll.

9. Conduct of the meeting

Macquarie is committed to ensuring that its shareholder meetings are conducted in a manner which provides those shareholders (or their proxy holders) who attend the meeting with the opportunity to participate in the business of the meeting in an orderly fashion and to ask questions about and comment on matters relevant to the business of the meeting or about Macquarie generally. Macquarie will not allow conduct at any shareholder meeting which is discourteous to those who are present at the meeting, or which in any way disrupts or interferes with the proper conduct of the meeting. The Chairman of the Meeting will exercise his powers as the Chairman to ensure that the meeting is conducted in an orderly and timely fashion, in the interests of all attending shareholders.

In the event that technical issues arise, Macquarie will have regard to the impact of the technical issues on shareholders participating and casting direct votes online, and the Chairman of the Meeting may, in exercising his powers as the Chairman, issue any instructions for resolving the issue and may continue the meeting if it is appropriate to do so.

10. Questions and comments by shareholders

At the meeting, shareholders will be provided with a reasonable opportunity to ask questions about or make comments on the business of the meeting, the management of the Company or about the Macquarie Group generally.

PricewaterhouseCoopers, Macquarie's external auditor, will attend the meeting and there will be an opportunity for shareholders to ask questions relevant to the audit.

Shareholders may also submit questions ahead of the meeting through the facility within the online proxy voting site by **10:30 am (AEST) Tuesday, 26 July 2022**.

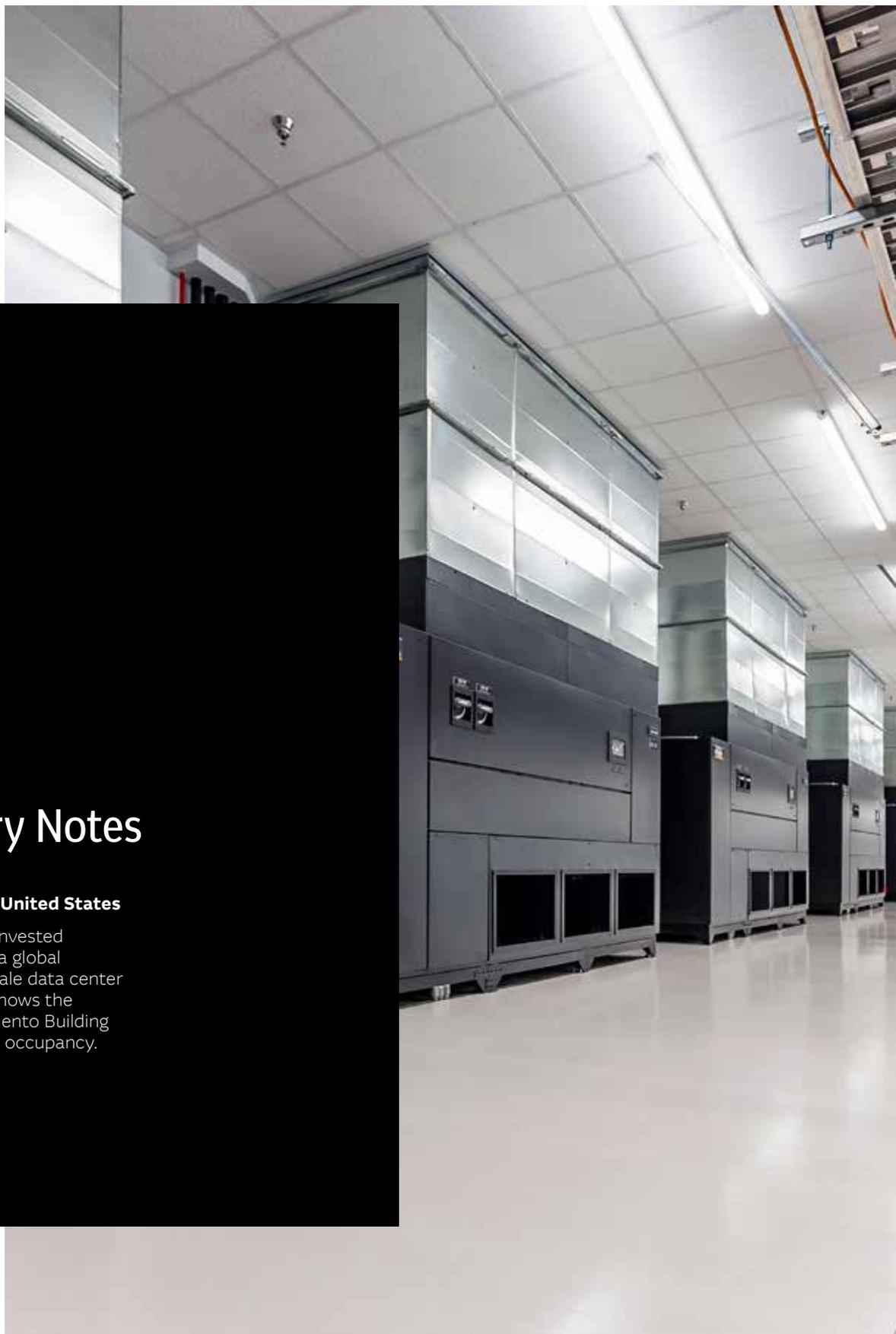
Questions online or submitted before the meeting may be moderated or amalgamated if there are multiple questions on the same point. It may not be possible to respond to all questions.

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Explanatory Notes

**Prime Data Centers
Sacramento Campus, United States**

Macquarie Capital has invested in Prime Data Centers, a global wholesale and hyperscale data center developer. This photo shows the interior of their Sacramento Building One facility pre-tenant occupancy.



Explanatory Notes

Item 1 – Financial statements

As required by section 317 of the *Corporations Act 2001 (Cth)* (the Act), the Financial Report, Directors' Report and Auditor's Report of Macquarie Group Limited for the most recent financial year will be laid before the meeting. There will be no formal resolution put to the meeting.



The reports are available on Macquarie's website at macquarie.com/about/investors/reports

Items 2a, 2b and 2c – Re-Election and Election of Voting Directors

Voting Directors Jillian Broadbent and Philip Coffey retire by rotation and offer themselves for re-election in accordance with Article 9.2 of Macquarie's Constitution.

Michelle Hinchliffe has been appointed as a Voting Director since the last Annual General Meeting and offers herself for election under Article 9.8 of Macquarie's Constitution. In accordance with Macquarie's *Fit and Proper Policy*, prior to the Board appointing Ms Hinchliffe, appropriate checks of her background and experience were undertaken.

A brief summary of their qualifications and experience is provided below.

Michael Coleman also retires as a Voting Director by rotation at the AGM and is not standing for re-election. Mr Coleman joined the Macquarie and Macquarie Bank Boards in November 2012 and has been the Chairman of the Board Audit Committee since July 2013. The Board has greatly benefited from his extensive experience in financial regulatory reporting in Australia and overseas, financial services expertise in audit and assurance, and risk management and corporate governance experience. The Board thanks him for his many years of excellent service to Macquarie and Macquarie Bank.

Item 2a – Re-election of Ms JR Broadbent as a Voting Director retiring by rotation



Jillian R Broadbent AC
BA (Maths & Economics) (Sydney)

Independent Voting Director since November 2018
(of Macquarie Bank since November 2018)
Chair of the Board Remuneration Committee
Member of the Board Nominating Committee

Experience

Jillian Broadbent has extensive investment banking industry knowledge and markets expertise, including a deep knowledge of risk management and regulation in these areas. She also has considerable executive management and listed company board experience. Ms Broadbent spent 22 years at Bankers Trust Australia until 1998, initially as an economic strategist and then as executive director responsible for risk management and derivatives in foreign exchange, interest rates and commodities.

Ms Broadbent was also a Member of the Reserve Bank of Australia Board between 1998 and 2013 and has previously served as Chair of the Board of Clean Energy Finance Corporation, and as a director of ASX Limited, SBS, Coca Cola Amatil Limited, Woodside Petroleum Limited, Qantas Airways Limited, Westfield Management Limited, Woolworths Group Limited and the National Portrait Gallery of Australia.

Ms Broadbent is a director of the Sydney Dance Company and the National Portrait Gallery Board Foundation.

Recommendation

The Board considers that Ms Broadbent's extensive investment banking knowledge and financial markets expertise, as well as her lengthy experience as a director of major institutions in a variety of industries, greatly enhances the Board's financial and investment banking acumen and ability to appropriately govern Macquarie.

Prior to submitting herself for election, Ms Broadbent confirmed that she would continue to have sufficient time to properly fulfil her Director's duties for Macquarie. In accordance with Macquarie's policy on independence for Non-Executive Directors, the Board (with Ms Broadbent abstaining) has determined that Ms Broadbent remains independent. With Ms Broadbent abstaining, the Board recommends that shareholders vote in favour of her re-election.

Item 2b – Re-election of Mr PM Coffey as a Voting Director retiring by rotation



Philip M Coffey
BEC (Hons) (Adelaide), GAICD, SF Finsia

*Independent Voting Director since August 2018
(of Macquarie Bank since August 2018)
Chairman of the Board Risk Committee
Member of the Board Nominating Committee
Member of the Board Governance and Compliance Committee*

Experience

Phil Coffey served as the Deputy Chief Executive Officer (Deputy CEO) of Westpac Banking Corporation, from April 2014 until his retirement in May 2017. As the Deputy CEO, Mr Coffey had the responsibility for overseeing and supporting relationships with key stakeholders of Westpac including industry groups, regulators, customers and government. He was also responsible for the Group's Mergers & Acquisitions function. Prior to this role, Mr Coffey held a number of executive positions at Westpac including Chief Financial Officer and Group Executive, Westpac Institutional Bank.

He has successfully led operations based in Australia, New Zealand, the United States, the United Kingdom and Asia and has extensive experience in financial markets, funds management, balance sheet management and risk management. He began his career at the Reserve Bank of Australia and has also held executive positions at the AIDC Limited and Citigroup.

Mr Coffey is a Non-Executive Director of Lendlease Corporation Limited and Goodstart Early Learning Ltd, and has recently retired as a Director of the Clean Energy Finance Corporation.

Recommendation

The Board considers that Mr Coffey's substantial experience both in Australia and overseas in banking, financial services and financial markets materially adds to the Board's financial expertise and oversight of Macquarie.

Prior to submitting himself for election, Mr Coffey confirmed that he would continue to have sufficient time to properly fulfil his Director's duties for Macquarie. In accordance with Macquarie's policy on independence for Non-Executive Directors, the Board (with Mr Coffey abstaining) has determined that Mr Coffey remains independent. With Mr Coffey abstaining, the Board recommends that shareholders vote in favour of his re-election.

Item 2c – Election of Ms MA Hinchliffe as a Voting Director



Michelle A Hinchliffe
BCom (UQ), FCA, ACA

*Independent Voting Director since March 2022
(of Macquarie Bank since March 2022)
Member of the Board Audit Committee
Member of the Board Nominating Committee*

Experience

Michelle Hinchliffe has more than 35 years' professional experience within the financial services sector in the United Kingdom and Australia, with extensive experience in leading large global teams in the provision of external audit, internal audit and advisory services to clients across financial services.

Michelle was the Global Lead Audit Partner for a number of global banking institutions as well as the Head of Audit, KPMG UK from September 2017 to April 2019 and then Chair of Audit, KPMG UK from May 2019 to September 2021. During the period from May 2019 to February 2022 she was a board member of KPMG UK. Prior to this she was the Head of Financial Services for KPMG Australia, where she was also a member of the board.

Ms Hinchliffe is a Non-Executive Director of BHP Group Limited.

Recommendation

Ms Hinchliffe was recently appointed to the Boards of Macquarie and Macquarie Bank. The Boards will benefit from her extensive experience in the financial services sector, particularly as regards her experience with external and internal audit of global banks, financial and regulatory reporting and risk management. If elected by shareholders, Ms Hinchliffe will also succeed Michael Coleman as Chair of the Board Audit Committee and become a member of the Board Governance and Compliance Committee at the conclusion of the meeting.

Prior to submitting herself for election, Ms Hinchliffe confirmed that she would continue to have sufficient time to properly fulfil her Director's duties for Macquarie. In accordance with Macquarie's policy on independence for Non-Executive Directors, the Board (with Ms Hinchliffe abstaining) has determined that Ms Hinchliffe remains independent. With Ms Hinchliffe abstaining, the Board recommends that shareholders vote in favour of her election.

Explanatory Notes

Continued

Item 3 – Adoption of the Remuneration report

As required by section 250R(2) of the *Corporations Act 2001 (Cth)* (the Act), a resolution that Macquarie's Remuneration Report be adopted will be put to the vote. Section 250R(3) of the Act provides that the vote on the resolution is advisory. The Remuneration Report is contained within the Directors' Report in Macquarie's 2022 Annual Report on pages 94 to 142. The letter from the Chair of the Board Remuneration Committee included in the Remuneration Report and an analysis that demonstrates Macquarie's results are aligned to remuneration outcomes for the year are reproduced below.

Letter from the Chair of the Board Remuneration Committee

On behalf of the Board, I am pleased to present the 2022 Remuneration Report as Chair of the Board Remuneration Committee (BRC).

During the 2022 financial year (FY2022), Macquarie teams continued to support our clients, partners and the broader community as the world emerged from the COVID-19 pandemic. We are mindful of the challenges faced by many due to the ongoing impact of the pandemic and amid uncertain geopolitical and market conditions.

We remain guided by our core principles and purpose of 'empowering people to innovate and invest for a better future'. Macquarie's ongoing success as an organisation and ability to deliver positive outcomes for all our stakeholders relies on the commitment of our people to identify new opportunities and manage uncertainty. As such, it is critical that we attract, motivate and retain exceptional people. Macquarie's proven risk management framework and culture position us well to respond to a dynamic short and long-term environment. Our strength in business and geographic diversity and ability to adapt our portfolio mix to changing market conditions is reflected through the record financial results and returns to shareholders in FY2022:

- Net profit after tax (NPAT) is up 56% compared to FY2021
- Return on Equity (ROE) of 18.7% is up compared to FY2021's 14.3%
- Earnings per share (EPS) of 1,271.7 cents per share is up 51% compared to FY2021
- the FY2022 full-year dividend is up 32% compared to FY2021.

Review of the remuneration framework

Our longstanding approach to remuneration has been a key driver of our sustained success. Staff are rewarded based on their performance against a range of financial and non-financial considerations, delivering positive outcomes over the long-term for our clients, shareholders, partners and communities. Nevertheless, we continue to review and adjust our approach to ensure that the remuneration framework remains fit for purpose and balances the evolving expectations of all our stakeholders.

During the year, the Board reviewed all structural components of the remuneration framework, taking into account a range of perspectives. As economies emerge from the pandemic, we are seeing a highly competitive global market where businesses are struggling to attract and retain key talent. This

dynamic is continuing into FY2023. Macquarie has not been immune to this market-wide challenge, which has impacted voluntary turnover levels and our ability to fill open roles. We have also reviewed the remuneration framework against the expectations of shareholders and regulators, including APRA's new Prudential Standard CPS 511 Remuneration (CPS 511).

Following a comprehensive review, the Board approved several changes to fine-tune our approach. The Board considers that the revised remuneration arrangements remain consistent with our remuneration principles and longstanding approach while responding to a broad range of expectations.

The key structural changes to be implemented in a phased approach include:

- changes to the malus framework from FY2022 which was last amended in 2015. The group of employees who will be subject to malus is expanded to include all Executive Directors (EDs). The events that may trigger the application of the malus provisions were also expanded and aligned to CPS 511 and the expectations of other global regulators
- changes to the release of retained profit share on termination from FY2023. For profit share allocations made to EDs from FY2023, where the Board exercises its discretion to accelerate vesting on termination, the six-month release point post-termination will be removed. Amounts that would have vested after six months will now be released after 12 months and amounts that would have vested after 12 months will now be released after 24 months
- increases to fixed remuneration levels for FY2024. Fixed remuneration will be increased for the CEO and Executive Key Management Personnel (KMP) but will remain low relative to the industry and as a proportion of total remuneration
- changes to profit share retention and vesting arrangements from FY2024. From FY2024, retention rates and vesting periods will be reduced for certain senior employees. For the CEO and Executive KMP, retention rates will be reduced by up to 10% and vesting periods will be shortened by two years, remaining long enough to appropriately consider the time horizons of risk. Upon retirement from Macquarie or redundancy, unvested retained profit share will no longer be accelerated and released over a two-year period, but instead will continue to vest on its original schedule (up to five years)
- for the CEO and Executive KMP, whilst an increased proportion of remuneration will vest during employment, the above changes will remove the acceleration of unvested retention and extend the release period

post-termination (in the case of redundancy or retirement from Macquarie). Additionally, retention rates and vesting periods will meet or exceed both the minimums required under CPS 511 and the deferral arrangements of many of Macquarie's global comparators

- changes to vesting of Performance Share Units (PSUs) wfrom FY2024. For PSUs granted from FY2024 onwards, the vesting period will be extended by a year for the MGL CEO and the MBL CEO, to reflect regulatory expectations and increase the alignment to shareholders.

Further detail on these changes is provided on pages 99 to 100 of the 2022 MGL Annual Report.

Performance and remuneration outcomes for FY2022

The Board spends considerable time each year assessing performance and determining remuneration outcomes for the CEO and Executive KMP. Mindful of the external focus on overall remuneration levels, and recognising the expectations and perspectives of all stakeholders, the Board has considered a range of factors critical to Macquarie's ongoing success.

In addition to considering the financial results of Macquarie overall as well as each Operating Group, the Board continues to focus on non-financial considerations to ensure senior management are accountable for their decisions, behaviours and associated risk management, customer and reputational consequences.

The Board's determination of remuneration outcomes for FY2022 for the CEO and Executive KMP reflect the following factors:

- record profits and strong financial performance while delivering sound customer/client and community outcomes across all four businesses
- the strong leadership of the CEO and the whole Executive Committee demonstrating both an alignment to our purpose and ongoing resilience to the impacts of the COVID-19 pandemic
- increased cross-collaboration across Macquarie, including strategic initiatives to reflect the evolving environment in climate solutions and energy transition
- continued focus on building a diverse, equitable and inclusive work environment
 - the continued investment in technology and digitalisation
 - role-modelling and encouragement of behaviours that support a strong risk culture
- focus on regulatory engagement, in particular commitment to strengthening regulatory relationships, prudential compliance and governance across Macquarie
- progress against the APRA remediation plan to strengthen the voice of the Bank
- continued focus on Work Health and Safety (WHS) as a key priority to reduce the risk of serious injuries and fatalities across our activities. This priority will continue into FY2023
- the management of financial and non-financial risks. During the year, there has been a strong focus on enhancements of risk capabilities and risk frameworks. While we have no systemic concerns, there have been risk management issues during the year for which we have imposed remuneration impacts to the MGL CEO, the MBL CEO and relevant Executive KMP.

After careful consideration of these factors, we believe the following outcomes for the year are appropriate:

- CEO awarded profit share has increased 26% on the prior year to \$A25.0 million
- total Executive KMP awarded profit share of \$A123.82 million (up 16% on the prior year)
- PSU allocations of \$A4.0 million for the CEO and ranging from \$A1.4 million to \$A2.8 million for Executive KMP.

Culture, accountability and remuneration

Macquarie's evolution is driven by our people who are guided by our purpose and core principles of Opportunity, Accountability and Integrity. Our purpose and principles 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 BRC and the Board assess Macquarie's culture in many ways, including through staff survey results, human capital reporting, strategy presentations, risk culture and incident reporting as well as through personal observation of management and staff behaviours and actions.

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 FY2022, there were 82 (FY2021: 97) matters involving conduct or policy breaches that resulted in formal consequences including termination of employment or formal warning and a downward adjustment to profit share. Consistent with prior years, further details regarding these matters are disclosed on page 109 of the 2022 MGL Annual Report.

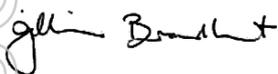
Explanatory Notes

Continued

Non-Executive Director Fees

During the year the aggregate MGL and MBL Board member base fees were increased from \$A260,000 to \$A275,000, and the combined MGL and MBL Board Chair fee was increased from \$A890,000 to \$A935,000. Board Committee fees were also increased by approximately 5-7%. The fee increases were effective 1 July 2021 and reflect the increasing complexity, time commitment and regulatory focus of both MGL and MBL. Board base fees were last increased in July 2018 and Board Committee fees in October 2015. Refer to page 129 of the 2022 MGL Annual Report for more details.

I look forward to receiving your views and support at the 2022 Annual General Meeting.



Jillian Broadbent

Chair
Board Remuneration Committee

Sydney

6 May 2022

Comparison of performance measures and executive remuneration measures: FY2021-2022

The analysis below details Macquarie's results and demonstrates how these results are aligned to remuneration outcomes for the year.

	Expressed as	FY2021	FY2020	Increase/(Decrease) %
Performance measures				
NPAT	\$Am	4,706	3,015	56
Basic EPS	Cents per share	1,271.7	842.9	51
Ordinary Dividends	Cents per share	622.0	470.0	32
Return on equity	Percent	18.7	14.3	
Executive remuneration measures				
Total compensation expense	\$Am	6,364	5,190	23
Compensation expense to income ratio	Percent	36.7	40.6	
Average staff headcount ⁽¹⁾		17,002	16,385	4
Actual staff headcount ⁽¹⁾		18,133	16,459	10
CEO awarded profit share	\$Am	25.00	19.85	26
Total Executive KMP awarded profit share	\$Am	123.82	106.90	16
CEO Statutory Remuneration	\$Am	23.72	15.97	49
Total Executive KMP Statutory Remuneration	\$Am	129.47	122.36	6

Noting that each Voting Director has a personal interest in their own remuneration from Macquarie, as described in the Remuneration Report, the Board recommends that shareholders vote in favour of adopting the Remuneration Report.

(1) Headcount for both FY2022 and FY2021 includes staff employed in operationally segregated subsidiaries (OSS)

Explanatory Notes

Continued

Item 4 – Approval of Managing Director’s participation in the Macquarie Group Employee Retained Equity Plan (MEREP)

The approval of shareholders is sought to permit Shemara Wikramanayake, Macquarie’s Managing Director and Chief Executive Officer (Managing Director), to participate this year, with other executives in the MEREP.

Background

This approval is being sought under ASX Listing Rule 10.14, which provides that a listed company may only permit a director of the company to acquire newly issued shares or rights to shares under an employee incentive scheme where that director’s participation has been approved by an ordinary resolution of shareholders.

The Managing Director is eligible to receive certain awards under the MEREP, which is administered by the Board. The MEREP rules provide flexibility to allow the use of newly issued or existing shares (for example through purchase on-market) to satisfy awards under the MEREP. The Board may also engage third party share managers to assist with the administration of the MEREP. Further details of the MEREP are set out in Note 32 of the Financial Statements in Macquarie’s 2022 Annual Report.

The Managing Director is eligible to receive Restricted Share Units (RSUs) under the MEREP, subject to shareholder approval of this Item 4. The ordinary MGL shares required for this grant are expected to be purchased by the trust established to hold shares for MEREP purposes. Subject to shareholder approval of Item 4 in the Notice of Meeting, shares may instead be issued if purchasing becomes impractical or inadvisable.

The Managing Director is also eligible to receive Performance Share Units (PSUs) that are exercisable into Macquarie shares subject to performance hurdles. Shareholder approval under ASX Listing Rule 10.14 is being sought so that PSUs may be issued to the Managing Director under the MEREP. Further information on PSUs and the performance hurdles can be found in Appendix A to these Explanatory Notes.

Details of the RSUs and PSUs issued to the Managing Director under the MEREP will be published in the annual report of MGL relating to the period in which they were issued, along with a statement that approval for the issue was obtained under Listing ASX Rule 10.14. Any additional persons covered by ASX Listing Rule 10.14 who become entitled to participate in an issue of securities under the MEREP after shareholder approval of this Item 4 in the Notice of Meeting and who were not named in this Notice of Meeting will not participate until approval is obtained under ASX Listing Rule 10.14.

Restricted Share Units

Approval is sought to allocate \$18.00 million of the Managing Director’s profit share under the MEREP, in the form of RSUs.

An RSU is a beneficial interest in a MGL ordinary share held on behalf of a MEREP participant by the plan trustee and is used to deliver the retained portion of the Managing Director’s profit share allocation. Macquarie uses equity awards such as RSUs to strengthen alignment between executives and ordinary shareholders. RSUs provide the executives with the full benefits of share ownership (such as dividend and voting rights).

The RSUs for which approval is sought will vest over seven years. In all other respects, the RSUs will be subject to the same terms and conditions as RSUs awarded to other Macquarie Executive Directors with retained profit share allocated under the MEREP. Macquarie’s 2022 Remuneration Report includes a summary of these terms and conditions, including in relation to forfeiture, malus events and early vesting and release (which are set out on page 104 of the Remuneration Report).

The number of RSUs that will be allocated to the Managing Director will be determined by dividing her retained profit share amount to be invested in Macquarie shares (\$18.00 million) (Retained Amount) by the volume weighted average price (VWAP) at which Macquarie shares are acquired during the Buying Period for the allocation of MEREP awards to other staff with retained profit share for the financial year ended 31 March 2022. The Buying Period is expected to run from 16 May 2022 to 29 June 2022 but may be completed earlier or later. The average price is referred to as the Acquisition Price.

If shares are issued to fill any shortfall in the number of shares acquired in the Buying Period for the Managing Director and concurrent MEREP offers to other staff, the number of RSUs that will be allocated to the Managing Director will be determined by dividing her Retained Amount by the volume weighted average of the Acquisition Price and the price at which any shares are issued. The latter will be the volume weighted average price of Macquarie shares traded on the ASX over the 5 trading days up to and including the issue date (Issue Price).

This is consistent with the methodology used for calculating the number of MEREP awards for other staff with retained profit share for the financial year ended 31 March 2022. The number of RSUs to be allocated to the Managing Director will not be known until the Acquisition Price, the Issue Price and/or the volume weighted average of the Acquisition Price and the Issue Price (Blended Price) (as applicable) are calculated at the end of the Buying Period. Macquarie will announce to the market the Acquisition Price, the Issue Price and/or the Blended Price (as applicable) and the number of RSUs to be allocated to the Managing Director, prior to the day of the AGM.

Performance Share Units

Approval is sought to allocate Ms Wikramanayake \$4.00 million worth of PSUs vesting after four years from the deemed vesting commencement date (1 July 2022).

Executive Committee members, including the Managing Director, are the only group of staff eligible to receive PSUs, which are subject to forward-looking performance hurdles and determined with reference to Macquarie's performance as a whole. As such, they provide an additional incentive to executives to drive company-wide performance over the long term and beyond their business group responsibilities, Macquarie uses equity awards such as PSUs to strengthen alignment between executives and ordinary shareholders. PSUs do not provide the executives with the full benefits of share ownership (such as dividend and voting rights) unless and until the PSUs vest and are exercised.

To ensure continued alignment with shareholders post termination, in cases of retirement from Macquarie, PSUs continue to vest in accordance with the vesting schedule and remain subject to the same performance hurdles. The Board or its delegate has the authority to accelerate the vesting of, or to forfeit, PSUs when the Managing Director leaves Macquarie. The Managing Director's PSUs will be structured as Deferred Share Units (DSUs) which are subject to the performance hurdles described in Appendix A to these Explanatory Notes. On exercise of the DSUs the Managing Director has a right to receive a share held in the MEREP Trust (Trust) for no cash payment, subject to the vesting and forfeiture provisions of the MEREP.

The number of PSUs that will be allocated to the Managing Director will be calculated by dividing \$4.00 million by the price of Macquarie shares around the date of grant. The face value of PSUs that may be acquired by the Managing Director is \$4.00 million. The determination of the number of PSUs to be allocated will be deferred until after shareholder approval is received. The market price of Macquarie shares for the purpose of this calculation will be the closing market price preceding the date of grant, which is expected to be on or around 2 August 2022.

The table below provides an estimate of the number of PSUs to be granted at varying prices for ordinary MGL shares (also referred to as 'Macquarie shares').

Macquarie Share Price	Value of PSU Award (\$000s)	Estimated number of PSUs to be granted
\$175	\$4,000	22,857
\$180	\$4,000	22,222
\$185	\$4,000	21,621
\$190	\$4,000	21,052

The value of any Macquarie shares that may be received by the Managing Director at a future date as a result of this allocation of PSUs will depend on factors including the extent to which the performance hurdles are achieved and the future price of Macquarie shares when any of these awards become exercisable. Further details regarding PSUs are set out on pages 105 to 106 and page 126 of the Remuneration Report.

Managing Director's remuneration

Full details of the Managing Director's awarded remuneration in respect of the 2022 financial year are shown in the Remuneration Report (pages 117 and 126). This comprised:

- Fixed remuneration of approximately \$0.82 million
- Available profit share of approximately \$5.00 million
- Retained profit share of approximately \$20.00 million, of which 90% (\$18.00 million) is being delivered as RSUs under the MEREP
- PSUs of approximately \$4.00 million.

Remuneration for the current financial year ending 31 March 2023 will also consist of fixed remuneration, profit share and PSUs. Fixed remuneration remains consistent and the allocation of profit share and PSUs will be determined by the Board following the end of the financial year. The amount of profit share that may be awarded to the Managing Director for FY2023 is dependent on a number of factors, as set out on pages 115 to 116 of the Remuneration Report, including the financial performance of Macquarie, business and people leadership, both financial and non-financial risks, including conduct matters and outcomes for our clients and customers.

Maximum number of RSUs and PSUs

The maximum number of RSUs for which approval is sought will be calculated by dividing her Retained Amount (\$18.00 million) by the Acquisition Price or the Issue Price or the Blended Price (as applicable) as described above. The maximum number of PSUs that may be acquired by the Managing Director for which shareholder approval is sought will be calculated by dividing \$4.00 million by the price of Macquarie shares on or around the date of grant, as described above.

Price payable on grant of RSUs

The Managing Director will not make any cash payment for the RSUs for which shareholder approval is sought. However, the aggregate allocation value of the RSUs to be granted to the Managing Director is approximately \$18.00 million, being Ms Wikramanayake's Retained Amount.

Price payable on grant of PSUs

The Managing Director will not make any cash payment for the PSUs for which shareholder approval is sought. However, the face value of the PSUs will be \$4.00 million, with the PSUs being an incentive mechanism for future performance that can only be exercised subject to satisfaction of the performance hurdles described in Appendix A to these Explanatory Notes.

Previous issues to Managing Director

The Managing Director is the only person referred to in ASX Listing Rule 10.14 entitled to participate in the MEREP. Since being appointed as Managing Director, Ms Wikramanayake has been issued 298,462 RSUs and 87,051 PSUs. RSUs were granted at allocation prices ranging from \$112.15 to \$151.73 per RSU and no cash payment was made by Ms Wikramanayake for the RSUs and PSUs previously issued under the MEREP. Further details of the RSUs and PSUs previously issued to Ms Wikramanayake under the MEREP are set out on pages 137 to 140 of the Remuneration Report.

Explanatory Notes

Continued

Terms of any loan relating to the acquisition of shares

No loan is being provided to the Managing Director in relation to the acquisition of shares under the MEREP.

Date by which grants will be made

The proposed grants of RSUs and PSUs to the Managing Director are expected to be made on or around 2 August 2022 but not later than 30 September 2022, subject to shareholder approval of this Item 4 in the Notice of Meeting.

Consequences if approval not obtained

If shareholders do not approve the proposed issue of RSUs and PSUs to the Managing Director under Item 4, the proposed grant of RSUs and issue of PSUs to her will not proceed. This may impact Macquarie's ability to incentivise the Managing Director and align her interests with those of shareholders and with the remuneration arrangements of the other Executive Directors. The Board will need to consider alternative remuneration arrangements, which may not be consistent with Macquarie's remuneration principles, including a cash payment.

The Non-Executive Directors of the Board recommend that shareholders vote in favour of Item 4 in the Notice of Meeting. Ms Wikramanayake, being the Managing Director and Chief Executive Officer, has a material personal interest in the resolution and, therefore, has abstained from providing a recommendation.

Appendix A – Performance Share Units

Executive Committee members, including the Chief Executive Officer and Managing Director, are the only group of staff eligible to receive Performance Share Units (PSUs), which are subject to forward-looking performance hurdles and are determined with reference to Macquarie's performance as a whole. As such, they provide an additional incentive to Executive Committee members to drive company-wide performance over the long-term and beyond their business group responsibilities. PSU awards are a meaningful incentive but are generally not the major element of an Executive Committee member's total remuneration.

Individual allocations are based on their role as members of the Executive Committee and their contribution to driving the collective performance of Macquarie, including their collaboration across businesses.

PSUs are granted in August each year, after Macquarie's 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 Macquarie shares on or around the date of grant.

Since their introduction, PSUs have been structured as Deferred Share Units⁽²⁾ with performance hurdles. Holders have no right to dividend equivalent payments. There is no exercise price for PSUs.

The following table summarises the key terms of PSUs and the performance hurdles:

	EPS CAGR Hurdle	ROE Hurdle
Application	50% of PSU award	50% of PSU award
Performance measure	Compound annual growth rate (CAGR) in EPS over the vesting period (four years).	Average annual ROE over the vesting period (four years) relative to a reference group of global financial institutions. ⁽³⁾
Hurdle	<p>Sliding scale applies:</p> <ul style="list-style-type: none"> 50% becoming exercisable at EPS CAGR of 7.5% 100% at EPS CAGR of 12%. <p>For example, if EPS CAGR was 9.75%, 75% of the relevant awards would become exercisable.</p>	<p>Sliding scale applies:</p> <ul style="list-style-type: none"> 50% becoming exercisable above the 50th percentile 100% at the 75th percentile. <p>For example, if ROE achievement was at the 60th percentile, 70% of the relevant awards would become exercisable.</p>
Forfeiture	<ul style="list-style-type: none"> Malus provisions apply. The standard policy is that unvested PSUs will be forfeited upon termination. 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. Should a change of control occur⁽⁴⁾, 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. 	

(2) A Deferred Share Unit is one of the award types under the Macquarie Group Employee Retained Equity Plan (MEREPE). For further details, refer to Note 32 to the financial statements in the Financial Report in Macquarie's 2022 Annual Report.

(3) The reference group for awards is Bank of America Corporation, Barclays PLC, Credit Suisse Group AG, Deutsche Bank AG, Goldman Sachs Group Inc., JP Morgan Chase & Co., Lazard Ltd, Morgan Stanley and UBS AG.

(4) Under the MEREPE Plan Rules, a change in control occurs where a person acquires or ceases to hold a relevant interest in more than 30% of Macquarie shares or where the Board resolves that a person is in a position to remove one-half or more of the Voting Directors.

Explanatory Notes

Continued

Rationale for hurdles

The PSU hurdles are regularly 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 comparator 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 FY2022 annual review, both the relative ROE and absolute EPS hurdles were reviewed by the Committee during the year and 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
- the approach is consistent with that advocated by APRA in not using TSR as a measure
- ROE and EPS can be substantiated using information that is disclosed in Macquarie's annual report
- 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 time frame used for PSUs should also be considered in light of the three to seven-year deferral of profit share for members of the Executive Committee
- the EPS targets are confirmed as rigorous when market performance is considered, with the EPS threshold hurdle exceeding the performance of most of the ASX 20, 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 4 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, 55% of the EPS tranches and 50% of the ROE tranches have resulted in either no vesting or partial vesting.

Historical EPS tranche outcomes



Historical ROE tranche outcomes



Use of an international reference group

An international reference group recognises the extent of Macquarie's diversification and internationalisation. As at 31 March 2022, total international income represented approximately 75% of Macquarie's total income, with approximately 54% of Macquarie's staff located outside Australia. 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 comparable Australian listed peers.

In addition, the BRC considers it important to not intervene reactively to remove under-performers or over-performers in any given period. An organisation's period of under-performance is generally followed by a period of over-performance.

Macquarie's ROE performance compared to an international reference group

Macquarie's ROE for FY2022 of 18.7%, has improved from 14.3% in the prior year, and 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 FY2013-2022

	1 year average % p.a.	3 year average % p.a.	5 year average % p.a.	10 year average % p.a.
Macquarie	18.7	15.3	15.6	13.4
Average of reference group	16.5	13.3	11.6	10.2
Company	12.4	9.9	9.5	6.9
Company	11.4	6.3	3.7	2.0
Company	(3.8)	3.4	2.5	1.1
Company	3.4	(2.0)	(1.5)	(1.7)
Company	23.0	14.6	12.4	11.2
Company	18.3	14.8	13.5	11.7
Company	56.0	48.8	43.4	45.4
Company	15.3	13.3	11.9	8.5
Company	12.4	10.6	8.5	6.9

Source: Bloomberg (reference group) and Macquarie as reported.

Explanatory Notes

Continued

Testing of hurdles

Under both performance hurdles, the objective is examined once only. Testing occurs annually on 30 June immediately before vesting on 1 July, based on the most recent financial year end results available. PSUs that do not meet performance hurdles expire. The PSUs that completed their performance period on 30 June 2021 comprised the second tranche of those granted in 2017 and the first tranche of those granted in 2018. The performance hurdle tests were performed using data sourced from Bloomberg for all peers (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 peer group were fully met for both tranches; and
- based on the EPS CAGR in Macquarie's reported financial year were not met for either the 2017 or the 2018 PSU grants.

As a result, 50% of the awards became exercisable on 1 July 2021, as shown below:

PSU tranche	EPS CAGR HURDLE			ROE HURDLE		
	Macquarie result (for vesting period)	Hurdle	Outcome	Macquarie result (for vesting period)	Hurdle	Outcome
2017 Tranche 2	6.40%	50% at 7.5% CAGR 100% at 12% CAGR	0% exercisable	14.80% (88th percentile)	50% above the 50th percentile ⁽⁵⁾ 100% at the 75th percentile ⁽⁵⁾	100% exercisable
2018 Tranche 1	3.59%	50% at 7.5% CAGR 100% at 12% CAGR	0% exercisable	14.63% (88th percentile)	50% above the 50th percentile ⁽⁶⁾ 100% at the 75th percentile ⁽⁶⁾	100% exercisable

(5) Peer group ROE at 50th percentile 9.78% and peer group ROE at 75th percentile 12.36%.

(6) Peer group ROE at 50th percentile 11.36% and peer group ROE at 75th percentile 13.19%.

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Cover image

Macquarie manages investments in infrastructure integral to the US economy. Long Beach Container Terminal is part of the combined port complex of Los Angeles and Long Beach, the largest cargo gateway in North America.



Investor Information

Enquiries

Investors who wish to enquire about any matter relating to their Macquarie Group Limited shareholding are invited to contact the share registry:

Link Market Services Limited

Level 12, 680 George Street
Sydney NSW 2000 Australia

Telephone (within Australia): 1300 554 096
Telephone (internationally): +61 1300 554 096
Facsimile: +61 2 9287 0309

Email: macquarie@linkmarketservices.com.au
Website: investorcentre.linkmarketservices.com.au

All other enquiries relating to a Macquarie Group Limited share investment can be directed to:

Investor Relations

Macquarie Group Limited
Level 6, 50 Martin Place
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Website: macquarie.com/investors

Website

Macquarie's 2022 Annual Report is available on Macquarie's website at: macquarie.com/about/investors/reports

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 10 Darcy Street, Parramatta NSW 2150; or
 Level 12, 680 George Street, Sydney NSW 2000

 **ALL ENQUIRIES TO**
 Telephone: +61 1300 554 096

X99999999999
PROXY FORM

I/We being a member(s) of Macquarie Group Limited (the Company) and entitled to attend and vote hereby appoint:

APPOINT A PROXY
 the Chairman of the Meeting (mark box)
OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name and email of the person or body corporate you are appointing as your proxy. An email will be sent to your appointed proxy with details on how to participate in the meeting.

Name

Email

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit on any resolution or procedural motion which may be proposed) at the Annual General Meeting of the Company to be held at **10:30am (AEST) on Thursday, 28 July 2022 (the Meeting)** and at any postponement or adjournment of the Meeting.

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.
Chair of the meeting authorised to exercise undirected proxies on remuneration related matters (Items 3 and 4): If the Chairman of the Meeting is your proxy and you do not direct your proxy to vote 'For', 'Against' or to 'Abstain' on Items 3 and/or 4, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Items 3 and 4 (as applicable) even if that item is connected directly or indirectly with the remuneration of a member of the Key Management Personnel of Macquarie. The Chairman of the Meeting will vote undirected proxies in favour of Items 3 and/or 4 (as applicable).

If you have appointed the Chair of the Meeting as your proxy (or the Chair of the Meeting becomes your proxy by default), and you wish to give the Chair specific voting directions on an item, you should mark the appropriate box opposite that item in Step 2 below (directing the Chair to vote for, against or to abstain from voting).

Proxyholders who wish to participate live online will need to contact the Company's share registry, Link, on 1300 554 096 or +61 1300 554 096 to obtain their login details.

VOTING DIRECTIONS
Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting.
Please read the voting instructions overleaf before marking any boxes with an
Resolutions

	For	Against	Abstain*		For	Against	Abstain*
2a Re-election of Ms JR Broadbent as a Voting Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2b Re-election of Mr PM Coffey as a Voting Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2c Election of Ms MA Hinchliffe as a Voting Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	3 Adoption of the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Approval of Managing Director's participation in the Macquarie Group Employee Retained Equity Plan (MEREP)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

 * If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

 This form should be signed by the shareholder. If a joint holding, all shareholders must sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

For personal use only

STEP 1

STEP 2

STEP 3



HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name and email address of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form, including where the Resolution is connected directly or indirectly with the remuneration of KMP.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as they choose. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- (b) return both forms together.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, all shareholders must sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

CORPORATE REPRESENTATIVES

If a representative of the company is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" must be received at macquarie@linkmarketservices.com.au prior to the commencement of the meeting in accordance with the Notice of Annual General Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

ACCESS YOUR NOTICE OF ANNUAL GENERAL MEETING

To view or download the **Macquarie Group Notice of 2022 Annual General Meeting (Notice of Meeting)**, which sets out in full the resolutions being put to the meeting and Explanatory Notes, **please visit** macq.co/agm2022

In accordance with amendments to the Corporations Act 2001 under the Corporations Amendment (Meetings and Documents) Act 2022, a physical copy of the Notice of Meeting and this proxy form is being mailed if you have elected to receive a physical copy. Otherwise, access to the Notice of Meeting is being provided to persons entitled to receive a copy via the website above.

Shareholders may make an election to receive certain documents in physical or electronic form, or elect not to receive certain documents, by contacting the Company's share registry.

LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **10:30am (AEST) on Tuesday, 26 July 2022**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



ONLINE

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to submit your proxy appointment. To use the online lodgement facility, shareholders will need their "Holder Identifier" - Securityholder Reference Number (SRN) or Holder Identification Number (HIN).



BY MAIL

Macquarie Group Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia



BY FAX

+61 2 9287 0309



BY HAND

delivering it to Link Market Services Limited*
Parramatta Square
Level 22, Tower 6
10 Darcy Street
Parramatta NSW 2150
or
Level 12
680 George Street
Sydney NSW 2000

* During business hours (Monday to Friday, 9:00am–5:00pm)