MACQUARIE

Basel III Pillar 3 UK Annual Remuneration disclosures

March 2015

This page has been left blank intentionally.

Contents

Introduction		1
1.0	Remuneration governance	2
2.0	Remuneration design and structure	4
3.0	Remuneration and risk	6
4.0	Linking performance and remuneration	7
5.0	Quantitative disclosures for senior managers and material risk takers	13

This page has been left blank intentionally.

Introduction

Macquarie Bank Limited (London Branch) (MBLLB), Macquarie Bank International Limited (MBIL), Macquarie Capital Europe Limited (MCEL) and Macquarie Infrastructure and Real Assets Europe Limited (MIRAEL) (together Macquarie UK) are UK regulated entities that form part of Macquarie Group Limited (Macquarie). MBLLB is a branch of Macquarie Bank Limited (MBL or Macquarie Bank).

The Boards of Macquarie UK's firms consider, approve and endorse major policies for their entity (including, on an annual basis, the Macquarie Remuneration Policy) and, if appropriate, make recommendations to the relevant MGL Board Committee regarding any changes required under the UK Companies Act 2006, FCA/PRA requirements or other legal or regulatory requirements applicable.

Throughout this disclosure document, for consistency, references are made to Macquarie's remuneration arrangements.

The qualitative remuneration disclosures (Sections 1 to 4) outline the remuneration framework consistent with Macquarie's Remuneration Policy. Macquarie's Remuneration Policy applies to all employees globally and refers to any revisions to global policies designed to ensure compliance with the PRA/FCA Remuneration Code (the Code). The quantitative information (Section 5) relates to senior managers and material risk takers (Code staff) for the financial year ended 31 March 2015.

1.0 Remuneration governance

Macquarie's Board of Directors (the Board) has oversight of Macquarie's remuneration arrangements. The Board Remuneration Committee (BRC) of Macquarie supports both the Board and the Board of Macquarie Bank with Macquarie's remuneration policies and practices.

The BRC currently comprises five Independent Non-Executive Directors (NEDs):

- Peter Warne (Chairman)
- Gary Banks
- Gordon Cairns
- Diane Grady
- Kevin McCann.

The responsibilities of the BRC include reviewing the Remuneration Policy for compliance with legal and regulatory requirements and recommending it to the Board for approval. The full responsibilities of the BRC are outlined in their Charter, which is reviewed and approved annually by the Board. A copy of the charter is available on Macquarie's website.

Committee fees for the Chairman of the BRC for FY2015 and FY2014 were $70,000 and for BRC members were $30,000. Per diem fees may also be paid from time to time for approved additional work. These fees are in respect of the Committee's support to the Boards of both Macquarie and MBL.

The BRC members have the required experience and expertise in both human resources and risk to achieve effective governance of Macquarie's remuneration system. In addition, all members of the BRC have extensive experience in remuneration, either through their professional background or as members of the remuneration committees of other boards. The BRC has a regular meeting cycle and met nine times over the last financial year. Strict processes are in place to ensure that conflicts of interest are appropriately managed. The Board pays close attention to the design and the operation of remuneration practices for all of Macquarie, not just for the most senior executives.

The remuneration governance framework requires that remuneration recommendations relating to staff at various levels of seniority be approved at an appropriate level of authority. As part of this, the BRC recommends the remuneration outcomes to the Board for approval for the:

- CEOs of both Macquarie and Macquarie Bank
- Executive Committee members
- Designated Executive Directors[1]
- Senior risk and financial control personnel
- Staff covered under specific regulatory requirements.

The BRC reviews the Remuneration Policy at least annually and it was most recently approved by the Board in March 2015. Updates to the Remuneration Policy were made during the year to reflect:

- The BRC's new responsibility for oversight of the performance reviews of the Managing Director and CEOs of the Group and the Bank (previously a responsibility of the Board Governance and Compliance Committee)
- Regulatory and governance developments particularly in regards to Code staff including the revised definition of Code staff, the introduction of the limit on variable remuneration (the 'bonus cap') and the introduction of a clawback policy
- Enhancements to the Malus and Post Employment Event provisions (formerly the Disqualifying Events provisions) for FY2015.

The BRC has access, as required, to Macquarie's senior management and has retained an independent consultant, Pay Governance, for the use of the Board to obtain advice on the appropriateness of Macquarie's remuneration system, objectives and program and other employment conditions.

[1] Executive Directors who have a significant management or risk responsibility in the organisation.

The only service that Pay Governance provides to Macquarie is executive compensation consulting to the BRC. This year, Pay Governance considered the overall approach to remuneration, peer organisations' overall approach to remuneration, the extent of alignment with shareholder interests and a comparison of individual remuneration for senior executives where relevant peer information was available. In addition, the BRC independently analysed global remuneration trends and data.

2.0 Remuneration design and structure

During the year, the Board and the BRC have reviewed Macquarie's remuneration framework to ensure it continues to meet its overriding objective of delivering superior company performance over the short and long-term, while prudently managing risk. In undertaking this assessment, the Board and the BRC have considered factors including:

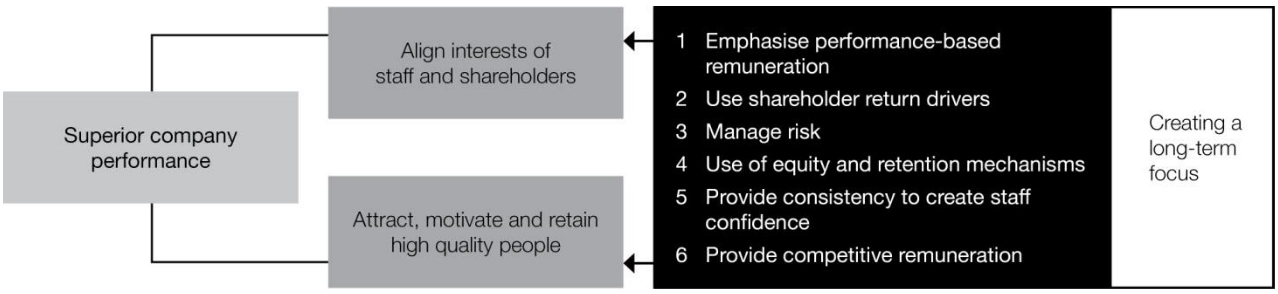
- The degree of alignment between staff and shareholders
- The evolving regulatory landscape
- Market developments
- Feedback from shareholders
- The employment environment
- Macquarie's performance during the year and the performance of each business

The Board considers that Macquarie's overall remuneration objectives of delivering superior company performance over the short and long-term, while prudently managing risk, remain appropriate. They recognise that to achieve these objectives, Macquarie must attract, motivate and retain exceptional people, while aligning their interests with those of shareholders.

They consider this is best achieved by supporting the following principles:

- Emphasising performance-based remuneration with an appropriate balance between short and longer-term incentives having regard to risk
- Linking rewards to the creation of sustainable shareholder value through the use of shareholder return drivers, namely profitability and returns in excess of the cost of capital
- Structuring remuneration to encourage behaviour that supports Macquarie's risk management framework
- Delivering remuneration in a way that encourages a long term perspective and creates alignment with shareholder interests
- Providing consistent arrangements over time to give staff the confidence to pursue multi-year initiatives
- Remunerating high performing staff appropriately, relative to global peers, so they are attracted to and stay with Macquarie.

The way these principles link to the overall objectives are outlined in the following chart.



The remuneration framework should be considered as an integrated whole. For Code staff, the components that make up the integrated remuneration framework are fixed remuneration and a profit share system.

Fixed remuneration is modest compared with similar roles in other organizations but sufficient to avoid inappropriate risk taking. It is reviewed annually and reflects technical and functional expertise, role scope, market practice and regulatory requirements. Performance-based remuneration is described in Section 4. For individuals designated as Code staff, the variable part of that individual's pay is appropriately balanced with the fixed part and cannot exceed 200 per cent of their fixed pay.

2.1 Risk and financial control personnel

The Board seeks to ensure that remuneration for staff whose primary role is risk and financial control, including the Chief Risk Officer (CRO) and the Chief Financial Officer (CFO), preserves the independence of the function and maintains Macquarie's robust risk management framework.

Fixed remuneration for risk and financial control staff is generally higher, compared with profit share, than for front office staff. Profit share is allocated to risk and financial control groups based on the quality and integrity of control functions and the quality of business support services and is not determined solely with reference to profitability. The CRO, the CFO and the Group General Counsel, as appropriate, review remuneration recommendations for all staff whose primary role is risk management and confirm to the Committee that remuneration for these staff is determined in a way that preserves the independence of the function and maintains Macquarie's robust risk management framework. As part of the annual remuneration review, the Board reviews and approves, on BRC recommendation, the individual remuneration recommendations for senior risk and financial control staff.

3.0 Remuneration and risk

The BRC liaises with the Board Risk Committee and the CRO to ensure there is a properly integrated approach to remuneration that appropriately reflects risk. The BRC makes recommendations to the Board that promote appropriate remuneration policies and practices for Macquarie consistent with Macquarie's risk management framework. Macquarie's risk management framework incorporates active management and monitoring of market, credit, equity, liquidity, operational, compliance, regulatory and legal risks. Remuneration measures are managed within Macquarie's risk appetite and risk-adjusted performance metrics for each division are a significant input into performance-based remuneration.

The effective alignment of remuneration with prudent risk taking is fundamental to Macquarie's approach to remuneration. Such alignment occurs at Group, business and individual levels.

Group

The size of the overall profit share pool is determined annually with reference to Macquarie's net profit after tax (NPAT) and return on ordinary equity (ROE) over and above the cost of capital. A portion of Macquarie's profit earned accrues to the profit share pool. Once the cost of equity capital is met, an additional portion of excess profit is accrued to the profit share pool.

Business

Risk-adjusted performance metrics for each business unit are prepared on a regular basis and distributed to senior management and the Board as well as to business units. These performance metrics are based on calculations of regulatory and economic capital usage and are a significant factor when allocations of performance-based remuneration are determined for each business. At Macquarie, proposals for all significant deals, products and businesses must also contain an analysis of risk-adjusted returns.

Individual

Risk management and compliance outcomes are one of the key factors considered by Management and the BRC when assessing the performance of individuals. These outcomes are assessed through independent reports from the CRO, the CFO and Human Resources (HR) which are detailed below. Other key factors are outlined in Section 4.

As part of the annual remuneration process:

- The CFO confirms to the BRC that the forecast profit share pool does not result in eliminating capital surpluses
- The BRC receives an independent report from the CRO on material losses, impairments or breaches of the risk management framework, return on economic capital by business, the relationship between profitability and risk and the contingent risks associated with large transactions concluded during the current financial year
- The Global Head of HR discusses the link between losses and proposed remuneration with the Group Heads and reports to the BRC in regards to the link between risk outcomes and individual remuneration. The BRC uses this information when considering the profit share allocated to businesses and to individuals.

Where applicable, the Board or its delegate also have the discretion to reduce or eliminate unvested profit share amounts for certain staff (from 2012 onwards) under Macquarie's Malus policy, as detailed in Section 4.4 below. For profit share awards made to certain Code staff on or after 1 January 2015, the Board or the BRC (under delegation from the Board) may also recover part or all of any vested profit share awards made in the previous seven years under Macquarie's clawback policy, as detailed in Section 4.5 below.

4.0 Linking performance and remuneration

For Code staff, performance-based remuneration consists of a profit share system. Allocation of performance-based remuneration is discretionary. Macquarie's remuneration structure emphasises performance-based remuneration, with an appropriate balance between short and longer-term incentives, and an alignment with prudent risk-taking.

Performance-based remuneration in the form of profit share is aligned with company performance. The profit share pool is determined annually using the twin measures of NPAT and ROE, measures which are known to be drivers of returns to shareholders. A portion of Macquarie's profit earned accrues to the profit share pool. Once the cost of equity capital is met, an additional portion of excess profit is accrued to the profit share pool. In addition, the NEDs of the Board have the discretion to change the quantum of the profit share pool to reflect internal and external factors if deemed in the interests of Macquarie and shareholders. As has occurred in previous years, not all of the profit share pool has been paid to employees in the current year.

Profit share is allocated to Macquarie's businesses based on each business' relative contribution to profits (not revenue) taking into account capital usage, risk management, compliance and competitor dynamics. In turn, profit share is allocated to individuals based on individual performance. Performance criteria vary depending on an individual's role including:

- Financial performance
- Risk management and compliance
- Business leadership
- People leadership including upholding Macquarie's *Code of conduct*.

Performance-based remuneration is delivered in ways that encourage a longer-term perspective and ensure alignment with shareholders' longer-term interests and staff retention. In turn, this encourages staff to maximise profit without exposing Macquarie to risk or behaviours that jeopardise long-term profitability or reputation. To achieve this outcome, a significant portion of performance-based remuneration is:

- Retained and deferred over a long period (Section 4.1 and Section 4.3)
- Delivered in equity (Section 4.2 and Section 4.7)
- Subject to forfeiture in certain circumstances (Sections 4.4 – 4.5).

4.1 Profit share retention levels

A percentage of each Executive Directors' annual gross profit share allocation is retained by Macquarie (retained profit share). The percentage retained reflects the scope and nature of an individual's role and responsibilities and any applicable regulatory requirements. Generally, for more senior roles, that have significant management or risk responsibility, a greater proportion of profit share is deferred. For individuals identified as Code staff, retention levels are determined by either their role or the quantum of their profit share allocation, whichever is the higher.

The Board has discretion to change the percentage of profit share allocations retained on an annual basis to meet changing market conditions as well as to comply with regulatory and corporate governance guidance, provided that the retention percentage is at least 30 per cent for Executive Directors.

Standard retention rates by role

Role	%
Macquarie CEO	70%
Macquarie Bank CEO	50%
Other Executive Committee members	50% – 60%
Designated Executive Directors[2]	50% – 60%
Other Executive Directors	40% – 60%
Staff other than Executive Directors	25% – 60%[3]

4.2 Investment of retained profit share

Executive Directors' retained profit share is invested in a combination of Macquarie shares under the MEREP[4], and Macquarie-managed fund equity notionally invested under the Post-2009 DPS Plan[5]. The following table shows the current percentage allocation of retained profit share that is invested in the Post-2009 DPS Plan and the MEREP, depending on the Executive Director's role:

Role	Post-2009 DPS Plan (Macquarie-managed fund equity)	MEREP (Macquarie shares)
Macquarie CEO and Macquarie Bank CEO	10%	90%
Executive Committee members with Funds responsibilities	50%	50%
Other Executive Committee members	10%	90%
Executive Directors with Funds responsibilities	50% – 75%	25% – 50%
Other Executive Directors[6]	10% – 20%	80% – 90%

For staff other than Executive Directors, retained profit share is generally (but not exclusively) invested in Macquarie equity.

Both the MEREP and the DPS Plan are fundamental tools in Macquarie's retention, alignment and risk management strategies, encompassing both long-term retention arrangements and equity holding requirements. The BRC reviews the percentage allocated to the Post-2009 DPS Plan and the MEREP on an annual basis to reflect an individual Executive Director's responsibilities. In limited circumstances, retained profit share may be allocated to other than the Post-2009 DPS Plan or the MEREP. An example might include investment in funds or products of a specific business group where there is a need to directly align the interests of employees with those of their specific types of clients.

---

2 Executive Directors who have a significant management or risk responsibility in the organisation.

3 Dependent on certain thresholds and regulatory requirements. For Code staff (other than those employed through a level 3 entity or those who satisfy the de minimis conditions), who fall within this category, retention rates range from 40 per cent – 60 per cent.

4 The MEREP has a flexible plan structure that offers different types of equity grants depending on the jurisdiction in which the participating employees are based. In most cases, the equity grants are in the form of units comprising a beneficial interest in a Macquarie share held in a trust for the staff member (Restricted Share Units or RSUs). Where legal or tax rules make the grant of RSUs impractical, including different tax rules for employee equity and different securities laws, equity grants will be in the form of: 1. shares held by the staff member subject to restrictions (Restricted Shares); or 2. the right to receive Macquarie shares in the future (Deferred Share Units or DSUs). A DSU comprises the right to receive on exercise of the DSU either a share held in the Trust or a newly issued share (as determined by Macquarie in its absolute discretion) for no cash payment, subject to the vesting and forfeiture provisions of the MEREP. A MEREP participant holding a DSU has no right or interest in any share until the DSU is exercised.

5 The Post-2009 DPS plan comprises exposure to a notional portfolio of Macquarie-managed funds. Retained amounts for Executive Directors are notionally invested over the retention period. This investment is described as 'notional' because Executive Directors do not directly hold securities in relation to this investment. However, the value of the retained amounts will vary as if these amounts were directly invested in actual securities, giving the Executive Directors an effective economic exposure to the performance of the securities. Notional returns on retained profit share invested in the Post-2009 DPS Plan may be paid annually to Executive Directors. The notional returns are calculated based on total shareholder return. If the notional investment of retained profit share results in a notional loss, this loss will be offset against any future notional income until the loss is completely offset.

6 For Executive Directors who are Code staff, profit share that is retained over and above Macquarie standard retention rates in order to comply with the Code's requirements is invested in the Post-2009 DPS Plan. In all cases however, a minimum of 50 per cent of retained profit share for all Code staff is invested in Macquarie equity.

4.3 Vesting and release of retained profit share

Retained profit share vests over a period that reflects the scope and nature of an individual's role and responsibilities. The vesting period is established for each retained profit share allocation by the BRC, according to the prevailing market conditions, having regard to regulatory and remuneration trends at the time of allocation. Generally, for more senior roles, that have a significant management or risk responsibility, profit share is deferred over a longer period of time.

For each year's allocation, once the vesting period has been determined it will remain fixed for that allocation. The BRC has established the following release schedule for retained profit share invested in the Post-2009 DPS Plan and the MEREP:

Role	Vesting schedule
Executive Committee Members (including the CEOs of Macquarie and Macquarie Bank). Designated Executive Directors[7]	One fifth in each of years 3-7
Other Executive Directors[8]	One third in each of years 3-5
Staff other than Executive Directors[9]	One third in each of years 2-4

Retained profit share is released when it vests with the exception of Code staff retained profit share delivered as Macquarie shares which is released six months post vesting.

4.4 Forfeiture of retained profit share (Malus)

For FY2012 - 2014, the Board or its delegate has had the ability to reduce or eliminate unvested profit share for certain senior employees (including Code staff) in certain circumstances (Malus). The Malus provisions were enhanced in FY2015, such that the Board or its delegate may reduce or eliminate in full, the unvested profit share awarded in respect of FY2015 and subsequent years to certain senior employees (including Code staff[10]) if it determines that the individual has at any time:

- Acted dishonestly (including, but not limited to, by misappropriating funds or deliberately concealing a transaction)
- Acted or failed to act in a way that contributed to a breach of a significant legal or significant regulatory requirement relevant to Macquarie
- Acted or failed to act in a way that contributed to Macquarie, Macquarie Bank or any Group within Macquarie incurring:
  - significant reputational harm, and/or
  - a significant unexpected financial loss, impairment charge, cost or provision, or
- Acted or failed to act in a way that contributed to Macquarie or Macquarie Bank making a material financial restatement.

Each of the above is a Malus Event.

In addition for Code staff, the Board has the discretion to reduce or eliminate unvested profit share amounts where it determines that Macquarie or a significant Macquarie business is subject to a material downturn in its financial performance or a material failure of risk management.

Macquarie has always had, and continues to have, the ability to terminate staff for such circumstances, at which time any unvested profit share would be forfeited in full. The BRC considers whether, and the extent to which, to

[7] For Designated Executive Directors and other Executive Directors who are Code staff, profit share that is retained over and above Macquarie standard retention rates in order to comply with the Code's requirements vests over years one and two.

[8] For Executive Directors who are Code staff, profit share that is retained over and above Macquarie standard retention rates in order to comply with the Code's requirements is invested in the Post-2009 DPS Plan. In all cases however, a minimum of 50 per cent of retained profit share for all Code staff is invested in Macquarie equity.

[9] For Code staff (other than those employed through a level 3 entity or those who satisfy the de minimis conditions), who fall within this category, retained profit share vests over years one to four.

[10] Other than those employed through a level 3 entity or those who satisfy the de minimis conditions.

apply Malus, taking into account local employment laws, the nature and circumstances of the event and any other redress that has been or may be applied.

4.5 Clawback

For Code staff[11], the Board or the BRC (under delegation from the Board) may, in its absolute discretion, recover an amount corresponding (in whole or in part) to profit share awards made to the employee at any time in the previous seven years, including cash and/or retained amounts (Vested Profit Share), provided the Vested Profit Share was awarded on or after 1 January 2015 (known as clawback) where:

- There is reasonable evidence of employee misbehaviour or material error; or
- Macquarie or the relevant business unit suffers a material failure of risk management;

and in either case, either the employee:

- Participated in or was responsible for conduct which resulted in significant losses to Macquarie; or
- Failed to meet appropriate standards of fitness and propriety.

4.6 Early vesting and release of retained profit share

A departing Executive Director's unvested retained profit share is only paid out in the case of genuine retirement, redundancy, disability, serious ill-health or other limited exceptional circumstances. The Board, or its delegate, has discretion to accelerate the vesting of retained profit share under these circumstances (subject to the conditions of early release as set out below).

In the case of death or serious incapacitation, the Board or its delegate will typically accelerate the vesting of retained profit share and immediately release it to the Executive Director or, to the Executive Director's legal personal representative (subject to the Malus provisions).

Discretion may be exercised in certain other limited exceptional circumstances on the grounds of business efficacy, in connection with strategic business objectives (including in connection with the divestment or internalisation of Macquarie businesses) or when an employee resigns to fulfil a senior full-time role in a governmental organisation or agency. Where such discretion is exercised, the Board or its delegate may impose such other conditions as it considers appropriate. This year discretion has been exercised and retained profit share released for seven executives.

4.6.1 Conditions of early release of retained profit share to departing Executive Directors

In addition to the Malus provisions set out in Section 4.4, the Board or its delegate may reduce or eliminate in full the retained profit share of any departing Executive Director for whom discretion has been exercised to accelerate the vesting of their retained profit share upon termination, if it determines that the Executive Director has at any time committed a Malus Event (as described above) or:

- Taken staff to a competitor or been instrumental in causing staff to go to a competitor, or
- Joined a competitor.

[11] For Code staff (other than those employed through a level 3 entity or those who satisfy the de minimis conditions), who fall within this category, retained profit share vests over years one to four.

Each of the above is a Post Employment Event. Other than in the case of death or serious incapacitation, the release will occur over the period from six months to two years after the Executive Director leaves, in accordance with the following table:

	First period	Second period	Third period
Time post departure	Six months	Six months – one year	One year – two years
Unvested retained profit share released	From all but the last two years of employment	From the second year prior to the end of employment	From the year prior to the end of employment
Subject to	No Malus Event or Post Employment Event	No Malus Event or Post Employment Event during First Period **and** no Malus Event or Post Employment Event (a) in Second Period	No Malus Event or Post Employment Event during First Period and No Malus Event or Post Employment Event (a) during Second Period **and** No Malus Event in Third Period

Where an Executive Director has a tax liability on termination of employment in respect of any unvested retained profit share, the Board or its delegate has discretion to release unvested retained profit share up to an amount equal to the Executive Director's tax liability, at an earlier time than noted above.

The timing of release of retained profit share for departing Code staff will be delayed where required in order to comply with the release provisions of the Code.

For all employees (including Code staff) below Executive Director, retained unvested profit share is also usually forfeited upon termination of employment. However the Board, the BRC or its delegate may exercise discretion to release retained profit share on similar grounds to those set out in Section 4.6 above provided, for those employees covered by the Malus Policy, no Malus Events have occurred during the employee's employment with Macquarie.

4.7 Profit share – non-deferred component

For Code staff[12], profit share that is not retained (upfront component) is delivered 50 per cent in cash and 50 per cent in Macquarie shares under the MEREP. The cash component is available immediately and the Macquarie shares are held for six months.

4.8 Other features of Macquarie's remuneration structure

Promotion awards

Staff who are promoted to Associate Director, Division Director or Executive Director receive an allocation of MEREP awards based on seniority, set with reference to an $A value.

Minimum shareholding requirement

Executive Directors are required to hold a minimum amount of Macquarie shares which is satisfied by the requirements of the profit share retention policy.

Hedging

Macquarie prohibits all staff from hedging shares held to meet the minimum shareholding requirement and unvested equity held in the MEREP.

[12] Other than those employed through a level 3 entity or those who satisfy the de minimis conditions.

Employment contracts

The following table summarises key features of the employment contracts for Code staff:

Length of contract	Permanent open-ended
Remuneration review period	1 April to 31 March annually
Profit share participation	Code staff are eligible to be considered for a profit share allocation which ensures that a large part of their remuneration is 'at risk'.
Termination of employment	Requires no more than four weeks' notice[13] by Macquarie or the Executive Committee member.

Pension policy

Macquarie's pension policies are in line with its business strategy, objectives, values and long-term interests.

Hiring remuneration

Macquarie has a policy document that outlines the treatment for all "hiring remuneration" (including guarantees, sign-on arrangements, stock buyouts / additional equity) to ensure that all relevant locations covered by the Code are compliant.

4.9 Statement of compliance with the Code

As a result of the policies and practices outlined in the document above, as required by SYSC 19A.3.12AR, we consider that we are compliant with the requirements of the Code.

[13] Subject to compliance with local regulatory and legal requirements.

5.0 Quantitative disclosures for senior managers and material risk takers

The following tables have been prepared in respect of the financial year ended 31 March 2015.

These disclosures reflect remuneration for services for the reporting period when the individual was a senior manager or material risk taker.

5.1 Total value of remuneration expenditure for senior managers and material risk takers (Code staff) for the financial year ended 31 March 2015[14]

The following table sets out the total value of remuneration awarded to Code staff in respect of their performance for the financial year ended 31 March 2015.

GBP'000s	Aggregate remuneration expenditure[14]
Front office staff	65,200
Central functions	7,700
Total	**72,900**

5.2 Analysis of 2015 remuneration for Code staff employees split between fixed and variable remuneration

GBP'000s	Senior management[15]	Other staff	Total staff
Number of staff	23	32	55
Fixed remuneration	12,400	12,500	25,000
Variable remuneration	33,200	14,800	48,000
Total remuneration	45,600	27,300	72,900

[14] Aggregate remuneration expenditure includes base salary, fixed pay allowances, annual profit share allocations (including the deferred component) awarded in respect of the 2015 financial year and any Director promotion or new Director equity awards.

[15] Senior management is defined as those performing a Significant Influence Function (SIF) and other Senior Management whose roles are judged as falling within the FCA/PRA definition.