Having robust, transparent and consistent practices for managing consequences of non-compliance with Macquarie’s policies is a critical element of good risk culture and key to ensuring that staff conduct is aligned with What We Stand For.

As disclosed in the Remuneration Report, various factors are used to assess individual performance-based remuneration including: financial performance; risk management and compliance; business leadership and; people leadership and professional conduct, which is consistent with the Code of conduct and What We Stand For.

Specifically, any risk or conduct related matters that arise may result in downward adjustment to group and/or individual profit share allocations where appropriate.

In particular, before performance-based remuneration is awarded, the Board Remuneration Committee reviews all significant breaches of regulatory requirements and/or Macquarie’s policies or procedures, all significant financial losses, and how these breaches or losses have been reflected in the performance-based remuneration of the individuals involved.

In line with Macquarie’s organisational structure where authority and accountability is widely distributed, consequences were applied to individuals found accountable for risk or conduct related matters during FY17, outcomes included termination, additional training, reprimand, formal warnings, reduction or elimination of discretionary remuneration and impact to promotion.