

Corporate Governance Statement

This Corporate Governance Statement has been approved by the Macquarie Group Limited Board (Board). It describes our key governance practices and articulates how decision-making is guided to meet stakeholder expectations of sound corporate governance and prudent decision-making, acknowledging Macquarie’s specific and broader responsibilities to its shareholders, funders, clients, employees and the communities in which it operates.

Macquarie Group Limited’s (MGL) corporate governance practices have followed the recommendations set by the 4th edition of the ASX Corporate Governance Council’s *Corporate Governance Principles and Recommendations* throughout the financial year ended 31 March 2024.

MGL, together with its subsidiaries (Macquarie), is a global financial services group operating in 34 markets in asset management, retail and business banking, wealth management, leasing and asset financing, market access, commodity trading, renewables development, specialist advisory, capital raising and principal investment.

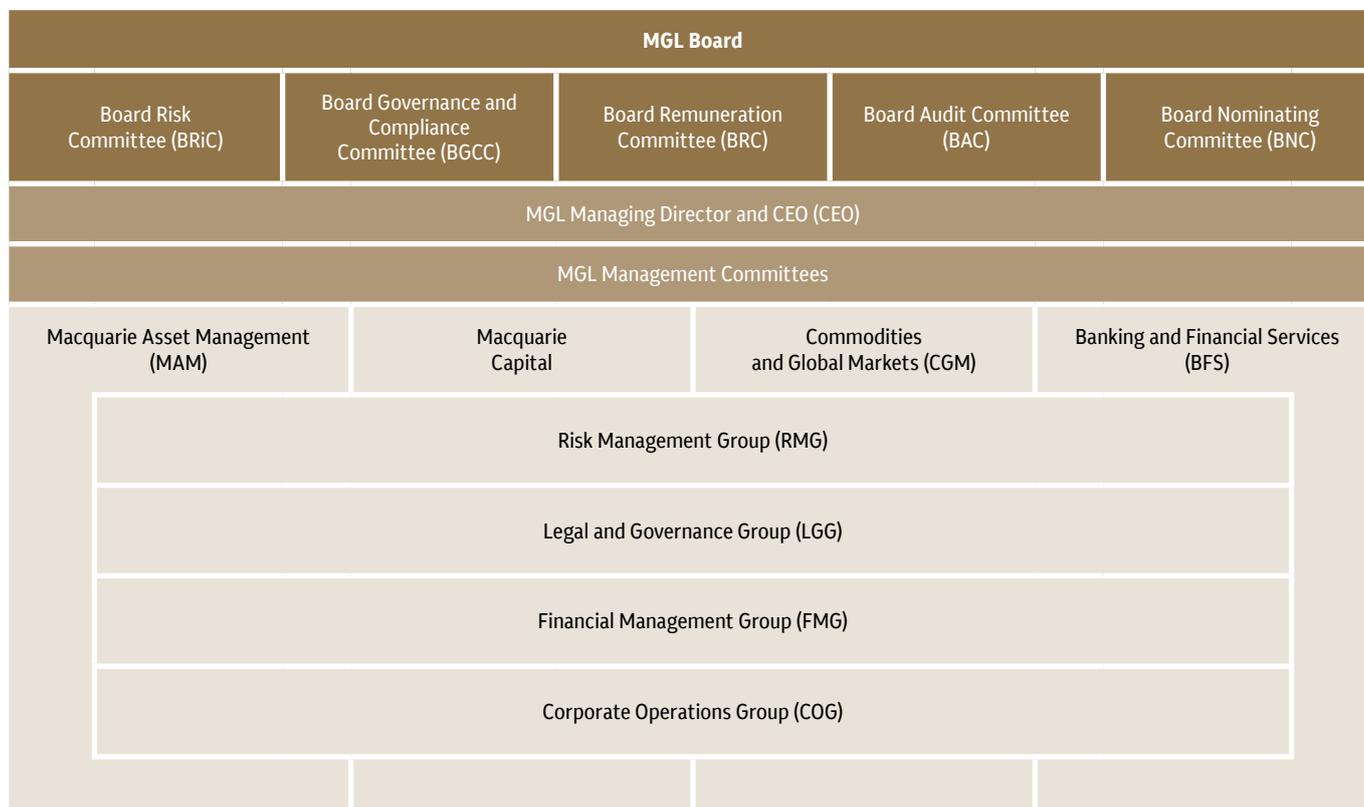
Macquarie’s purpose statement ‘Empowering people to innovate and invest for a better future’ explains why we exist. We believe that by empowering people we will achieve our shared potential.

The way we fulfil our purpose is defined by our principles of Opportunity, Accountability and Integrity. These principles guide Board, management and staff conduct, and it is expected that they will all meet these standards and deal honestly and fairly with our clients, counterparties and regulators. There are appropriate consequences for anyone who fails to meet our standards.

Corporate Governance framework

Our corporate governance framework defines the relationship between the Board and management, underpinned by a strong risk management framework and the infrastructure needed for our Operating Groups to manage their businesses.

Macquarie



Macquarie Bank

Macquarie Bank Limited (MBL) is a regulated authorised deposit-taking institution in Australia and is a key subsidiary of MGL. It has a similar governance structure to MGL, with five standing MBL Board Committees: a Board Audit, Board Remuneration, Board Risk, Board Governance and Compliance and Board Conflicts Committee. In addition to supporting the MGL Board, the MGL Board Nominating Committee supports the MBL Board in satisfying itself that the MBL Board has an appropriate mix of skills, experience, tenure and diversity for the Board.

The MBL Board is comprised of a majority of Non-Executive Directors (NEDs), the MGL CEO and MBL CEO. Following the retirement of Mr Michael Coleman, expected by mid-2024, there will be three Bank-only Non-Executive Directors (BONDS) on the MBL Board: Mr Wayne Byres, Mr Ian Saines and Mr David Whiteing, and seven NEDs who also serve on the MGL Board.

The MBL CEO is assisted by MBL's management committees and the MBL CEO's Office.

During FY2024, Macquarie and MBL continued their oversight of ongoing programs that focus on strengthening MBL's processes and controls, including those around intra-group funding arrangements and internal exposures; capital and liquidity reporting; risk management frameworks; and accountabilities and governance. A number of these programs also form part of a remediation plan with APRA, which has been established to define and deliver detailed programs of work that enhance MBL's governance, risk culture, group structure, and remuneration to ensure full and ongoing compliance with prudential standards and management of MBL-specific risks.

As part of governance changes to better protect the interests of MBL within Macquarie, BOND representation on the MBL Board and MBL Board Committees increased following the new BOND appointments of Mr Whiteing and Mr Byres during FY2024.

Board oversight

The Board sets the 'tone at the top' in a highly visible manner. Board members have broad contact with staff at various levels within the organisation and across regions.

There is a culture of open and frank discussion at the Board. Actions taken by the Board seek to promote long-term sustainability and prudent management of risk consistent with *What We Stand For*.

Board workshops scheduled during FY2024 covered topical, emerging business and governance issues, including presentations on data ethics, operational risk management, risk appetite, sustainability reporting, whistleblower training, anti-bribery and corruption and sanctions compliance and cyber threat intelligence.

NEDs also met regularly without members of management and Board Committees held private meetings with each of the external auditor, Head of Internal Audit, Head of Compliance and Chief Risk Officer (CRO) to assist with their oversight role.

Board members believe that informal conversations with staff are important in assessing the culture within Macquarie and seeing Macquarie's purpose at work. Board members generally attend various staff functions in Australia and conduct two international trips to Macquarie offices each year. In FY2024, the Board visited Macquarie offices in the US, UK and France. Key highlights from these visits included visits to certain Macquarie fund assets in London and New York and presentations from regional staff and external speakers about topical issues in the region; regional business updates; and Macquarie's people, culture, and purpose statement in practice. Each visit brought together staff from various locations within the regions, increasing and enhancing the Board's opportunity for engagement with staff. During the US Board visit, Board members engaged with approximately 650 staff members across all levels of seniority in three key regional hubs: Jacksonville, Philadelphia and New York. During the visit to London and Paris, approximately 211 staff members were invited to engage with Board members at various events, including a staff dinner.

Corporate Governance Statement

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Board oversight		
<ul style="list-style-type: none"> • Commitment to achieving the highest standards of professional conduct across all Macquarie operations • Regularly reinforce company-wide expectations • Diligently take action as part of its responsibility to shareholders, funders, clients, employees and the communities in which Macquarie operates • Review and monitor operations and challenge of management. 		
Culture and Conduct		
<ul style="list-style-type: none"> • Set high behavioural standards and act in accordance with these standards • Take a dynamic approach to oversight of risk culture and conduct risk management in response to business outcomes and expectations of communities and regulators • Monitor the actions management take to embed behavioural standards in operations (including a sound risk culture): <ul style="list-style-type: none"> – staff training – direct communications to staff – risk surveillance activity. 		
Business strategy	Financial and non-financial risk management	Pay for performance
<p>Assess ability of strategy to adapt to markets and deliver sound client and community outcomes within Board approved risk appetite and related limits.</p> <p>Approve budget and funding and capital management strategy to deliver on business strategy.</p>	<p>Approve Macquarie's <i>Risk Appetite Statement</i> and <i>Risk Management Strategy</i>, monitor material risks faced by Macquarie and review how they are managed.</p> <p>Oversee management's operation of Macquarie's risk management framework, including its compliance framework.</p>	<p>Approve a remuneration policy that aligns the interests of staff and shareholders to deliver sustained results for our customers, clients and communities.</p> <p>Remuneration outcomes reflect an assessment against a range of financial and non-financial factors including risk management and compliance.</p>

FY2024 Governance activities

During FY2024, the MGL Board's key governance activities included:

 <p>Continuing Board renewal and succession planning</p>	 <p>Continuing cross-committee information sharing through Board and Board Committee Chair meetings and reporting on matters considered by the BGCC to the Board Risk Committee (BRiC)</p>
 <p>Overseeing Macquarie's regulatory engagement, including interacting with some key regulators directly</p>	 <p>Continuing activities relating to the Banking Executive Accountability Regime (BEAR) with respect to MBL and implementation of the Financial Accountability Regime (FAR) applying to MGL and MBL from 15 March 2024</p>
 <p>Meeting with shareholders and proxy advisors as part of Macquarie's ongoing engagement to discuss matters relating to Macquarie's business performance, governance and remuneration</p>	 <p>Convening a joint annual meeting of the BRC, BGCC, BRiC and BAC to discuss significant incidents, issues, regulatory and litigation matters, internal audit outcomes and other financial and non-financial risk matters as presented in independent reports provided to the BRC by the CRO and the Head of Internal Audit for consideration in the determination of remuneration outcomes for FY2024</p>
 <p>Conducting its annual Board performance review and detailed biennial Board Committee performance reviews</p>	 <p>Conducting a comprehensive review of the Board and Board Committee Charters, as well as external reviews of the <i>Continuous Disclosure Policy</i> and the <i>MGL Trading Policy</i></p>
 <p>Continuing oversight of ongoing programs that focus on strengthening risk management frameworks and accountabilities and governance</p>	 <p>Meeting staff in Australia, the US, UK and France to discuss in informal settings topics relating to Macquarie's culture, including risk culture, innovation and growth, people and leadership, and diversity, equity and inclusion</p>

Board and management

MGL's Constitution sets out requirements concerning board size, meetings, election of directors and the powers and duties of directors. In accordance with the Constitution, the Board has resolved that the maximum number of Voting Directors (Directors) is currently 12.

The Board Charter details the Board's role and responsibilities and matters expressly reserved for the Board, which include annually approving the strategy and business plan, adopting an annual budget, approving Macquarie's funding and capital management strategy, approving Macquarie's *Risk Appetite Statement* and *Risk Management Strategy*, monitoring material risks faced by Macquarie and how they are managed, appointing the CEO and approving major group policies including those relating to remuneration, diversity and equity, and the *Code of Conduct*.

The role of the Board is to promote the long-term interests of Macquarie, taking into account Macquarie's specific and broader responsibilities to its shareholders, funders, clients, employees and the communities in which it operates. The Board is assisted by its various Board Committees as detailed in each Board Committee Charter.



MGL's Constitution and Board Charter are available at macquarie.com/corporate-governance

The Board determines delegations to management and approves applicable limits and policies.

The CEO has been granted authority for matters not reserved for the Board at law or as set out in the Board's Charter, for a Board Committee or one or more other Directors. Macquarie's management committees assist in the exercise of the CEO's delegated authority. The CEO, the CRO and the CFO report to the Board at each meeting. In addition to regular reporting from management, the Board has unrestricted access to senior management and external advisers.

The Company Secretary is appointed by and accountable to the Board, through the Chair, for matters relating to the proper functioning of the Board.

Board renewal, appointment and performance

The Board, with the assistance of the BNC, regularly assesses the skills, experience, tenure and diversity required collectively for the Board to effectively fulfil its role. MGL's *Policy on Board Renewal, Appointment of Directors and Board Performance Review* sets out the fundamental factors relevant to the selection and appointment of new Directors and the process for assessing performance of the Board.



MGL's *Policy on Board Renewal, Appointment of Directors and Board Performance Review* is available at macquarie.com/corporate-governance

Board diversity and tenure

The Board believes that its membership should comprise Directors with an appropriate mix and diversity of skills, professional experience, tenure, gender and personal background. The general expectation is that NEDs will serve three 3-year terms from first election by shareholders. NEDs may serve for longer than three 3-year terms if the Board considers it to be of significant benefit to MGL.



Years of NED tenure



Corporate Governance Statement

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Director appointment, induction and development

In accordance with Macquarie's *Fit and Proper Policy*, for a Director appointment, appropriate background checks are undertaken (typically including criminal record, bankruptcy, employment history and education checks). Directors appointed to fill a casual vacancy stand for election at the first AGM following their appointment. The notice of meeting provides shareholders with material information relevant to a decision as to whether to elect or re-elect a Director including their skills, experience, other directorships and an acknowledgement that they will have sufficient time to fulfil their responsibilities as a Director.

All Directors have received an appointment letter setting out the terms of their appointment. The material terms of appointment are set out in MGL's *Policy on Board Renewal, Appointment of Directors and Board Performance Review*.

New Directors also undertake an induction program covering relevant matters such as Board and Board Committee practices and procedures, prudential requirements and briefings with Heads of Operating and Central Service Groups and other staff.

NEDs identify business awareness needs on an ongoing basis and regular Board workshops are held during the year on topical, emerging business and governance issues relevant to Macquarie. The BRIC, including at regular meetings of the Chairs of the Board and Board Committees, reviews the annual schedule of Board workshop sessions. In addition to workshops, the Board has generally scheduled two separate visits to international Macquarie offices annually.

The BNC reviews the skills and experience of the NEDs. As part of the Board performance review, the Board periodically considers whether there is a need for existing Directors to undertake professional development to maintain the skills and knowledge needed to perform their role on the Board effectively.

Board performance

A Director's continuing Board membership is subject to their performance and ongoing relevance of their skills and experience. The Board undertakes a formal annual performance evaluation to review its performance and the performance of each Director with emphasis on those individual Directors who are required to stand for re-election at the next AGM. The Board considers the performance and skills of Directors standing for re-election and whether other particular skills or experience not currently available are needed prior to determining whether to recommend their re-election to shareholders.

Every three years an external facilitator conducts the Board's performance review. In the intervening years, an internal performance assessment is led by the Chair with the support of the Company Secretary. The process for conducting the review is agreed by the Board. Typically, the process includes individual interviews by the Chair or an external facilitator with each Director and the use of a self-assessment questionnaire to cover matters such as:

- the Board's contribution to developing strategy
- the Board's performance relative to its objectives
- interaction between the Board and management and between Board members
- the Board's oversight of business performance and risk management
- Board composition and renewal, including consideration of relevant skills and capabilities
- the operation of the Board, including the conduct of Board meetings, Board culture and Chair leadership
- stakeholder management
- succession and remuneration.

A written report summarising the results and feedback (e.g., with themes in FY2024 relating to time allocation, board composition and board operations) is presented to the Board and discussed at a Board meeting. A nominated Independent Director or the external facilitator provides performance feedback to the Chair based on discussion with the other Directors.

The Board's review in FY2024 was conducted internally in accordance with the process described above. The FY2025 review is an external review.

Board Committee performance

As part of the Board's annual performance evaluation, the functioning and performance of the Board Committees is reviewed. Each Board Committee also undertakes a more detailed review, at least biennially, of its performance and the extent to which it has met its responsibilities set out in its Charter. The process for the review of Board Committee performance also includes use of a self-assessment questionnaire to cover matters such as interaction between the Board Committee and management, the operation of the Board Committee, including the conduct of Board Committee meetings, Board Committee culture and Chair leadership, and Board Committee composition. A written report summarising the results and outcomes, including recommendations, is reviewed and discussed by each Board Committee, led by the Committee Chair.

During FY2024, each Board Committee undertook its biennial performance review internally, in accordance with the process described above. The next biennial review is scheduled for FY2026.

Employment and performance of senior executives

In accordance with Macquarie's *Fit and Proper Policy*, for a senior executive appointment, appropriate background checks are undertaken (typically including criminal record, bankruptcy, employment history and education checks).

All Executive KMP receive an employment contract setting out the terms of their employment. The material terms of their employment are set out in the Remuneration Report.

There is a consistent and comprehensive process for the Board and the BRC to assess the performance of the MGL CEO and each Executive KMP during the year to enable them to determine remuneration outcomes at the end of the year. A performance evaluation for senior executives has taken place during the year in accordance with the process described on page 127 in the Remuneration Report.



Details of the nature and amount of remuneration for each Executive KMP and Macquarie's remuneration policies and practices are contained on pages 106 to 156 in the **Remuneration Report** of this Annual Report.

Board structure

Board Committees

MGL's five standing Board Committees assist the Board in its oversight role. Board members have access to all Board Committee meeting papers and may attend any Board Committee meeting. Subsequent to each Board Committee meeting, the minutes are included in the Board papers and presented to the Board by the respective Committee Chairs.

The Chairs of the Board and each Board Committee meet to broadly consider the work plan, responsibilities and the performance of each Committee and to focus on any areas of overlap or gaps in Committee reporting and responsibilities, including coordination of non-financial risk reporting between Committees and the coverage of risk reporting across Committees.



The Board Committee Charters detailing the responsibilities of each Committee are available at [macquarie.com/corporate-governance](https://www.macquarie.com/corporate-governance)

Corporate Governance Statement

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Allocation of responsibilities between Board Committees

The following table provides a summary of the allocation of responsibilities between Board Committees.

Committee	Role
Board Risk Committee (BRiC)	The BRiC assists the Board by providing oversight of Macquarie's risk management framework and advising the Board on Macquarie's risk appetite, risk culture and risk management strategy. Except to the extent another Board Committee is responsible, the BRiC receives information on material risks and reviews the impact of developments in markets in which Macquarie operates on its risk position and profile. The BRiC monitors Macquarie's risk culture and, with assistance from the BGCC, conduct risk and certain other non-financial risks, and forms a view on Macquarie's risk culture and the extent to which it supports the ability of Macquarie to operate consistently within its risk appetite. The CRO reports directly to the CEO and has a secondary reporting line to the BRiC.
Board Governance and Compliance Committee (BGCC)	The BGCC assists the Board with adopting the most appropriate corporate governance standards for Macquarie and assists the Board in monitoring regulatory, legal, compliance and financial crime risk matters for Macquarie, including reviewing and monitoring compliance with Macquarie's Conduct Risk Management Framework and its implementation. In addition, the BGCC reviews and monitors Macquarie's work health and safety, environmental and social risk management policies, practices and performance, and customer and client reporting. The BRiC, BRC and BAC oversee aspects of the regulatory, legal and compliance risk matters for Macquarie relating to their duties and responsibilities.
Board Remuneration Committee (BRC)	The BRC is responsible for overseeing the design, operation and monitoring of Macquarie's remuneration framework. It makes recommendations to the Board that promote appropriate remuneration policies and practices for Macquarie that align remuneration outcomes with Macquarie's financial and non-financial risk outcomes, drive behaviours that support Macquarie's risk management framework, and promote Macquarie's <i>Code of Conduct</i> and the accountability of staff for the business and customer outcomes they deliver by encouraging a long-term perspective. The BRC reviews HR-related reports and consults with the BRiC, BGCC and BAC to ensure risk outcomes are appropriately reflected in remuneration outcomes. The BRC is also responsible for remuneration-related disclosures in the Remuneration Report.
Board Audit Committee (BAC)	The BAC assists the Board with its oversight of the quality and integrity of the accounting, auditing and financial reporting of Macquarie. The BAC also reviews the adequacy of Macquarie's control framework for financial regulatory reporting to APRA and prudential regulators in other jurisdictions and monitors the internal financial control environment. The BAC at least annually, reviews and assesses, and reports to the Board on the quality, effectiveness, objectivity and independence of the external auditor, and other matters relating to the prior year's audit and reports to the Board on the annual performance review of the external auditor. The BAC reviews reports from the external auditor and Internal Audit, referring matters relating to the duties and responsibilities of the BRiC and BGCC to the appropriate Board Committee. The BAC also monitors and reviews the performance objectives and rating, remuneration and the degree of independence of the Head of Internal Audit and the effectiveness of the Internal Audit function.
Board Nominating Committee (BNC)	The BNC assists the Board and MBL in satisfying itself that it has an appropriate mix of skills, experience, tenure and diversity for each board to be an effective decision-making body and to provide successful oversight and stewardship of Macquarie and MBL respectively.

Board and Board Committee membership

The Board has eight Directors, comprising seven Independent Directors and one Executive Director, who is the MGL Managing Director and Chief Executive Officer (CEO).

The Chair of the Board is Mr Glenn Stevens, an Independent Director, who has been the Chair of the Board since 10 May 2022. Ms Shemara Wikramanayake is the CEO of MGL.

Each Board Committee has an Independent Director as its Chair and comprises members who are Independent Directors. Other than the Chair of the Board, all Independent Directors are members of at least two Board Committees and all Independent Directors are members of the BNC.

The Chair of the Board and the CEO receive a standing invitation to all Board Committee meetings and attend as they consider appropriate.

The following changes to MGL Board and Board Committee memberships occurred during FY2024:

- Ms Jillian Broadbent was appointed as a member of the BRiC, effective 28 July 2023
- Ms Susan Lloyd-Hurwitz was appointed as a member of the Board and the BNC effective 1 June 2023, and the BAC and BRC, effective 28 July 2023
- Ms Rebecca McGrath was appointed Chair of the BGCC and stepped down as a member of the BRC, effective 28 July 2023
- Ms Nicola Wakefield Evans retired as a member of the BGCC and BRiC, effective after the conclusion of the Annual General Meeting on 27 July 2023, and retired from the Macquarie board effective 29 February 2024.



Members' attendance at Board and Board Committee meetings during the past year is contained on page 95 in the **Directors' Report** of this Annual Report.

The following table sets out the current composition of the Board, each Director's date of appointment and the membership of each Board Committee.

	MGL Board	Risk	Governance and Compliance	Remuneration	Audit	Nominating
MGL Independent Directors (when commenced)⁽¹⁾						
Glenn Stevens (November 2017)	Chair					Chair
Jillian Broadbent (November 2018)	Member	Member		Chair		Member
Philip Coffey (August 2018)	Member	Chair	Member			Member
Michelle Hinchliffe (March 2022)	Member		Member		Chair	Member
Susan Lloyd-Hurwitz (June 2023)	Member			Member	Member	Member
Rebecca McGrath (January 2021)	Member	Member	Chair			Member
Mike Roche (January 2021)	Member	Member		Member	Member	Member
MGL CEO (when commenced)						
Shemara Wikramanayake (August 2018)	Member					

Board skills and experience

The Board believes that its membership should comprise high calibre directors with an appropriate mix and diversity of skills, professional experience, tenure and personal background that allow the Directors individually, and the Board collectively, to:

- discharge their responsibilities and duties under the law effectively and efficiently
- consider and form a view on Macquarie's culture and governance
- understand the business of Macquarie and the environment in which it operates so as to be able to set, with management, the objectives, goals and strategic direction that will promote the creation of superior and sustainable shareholder value; and meet Macquarie's responsibilities to its shareholders, funders, clients, employees and the communities in which it operates
- assess the performance of management in meeting those objectives and goals.

Accordingly, in selecting potential new Directors, the BNC identifies the competencies and diversity required to enable the Board to fulfil its responsibilities. In doing so, the BNC has regard to the results of the annual appraisal of the Board's performance, the performance of each Director and ongoing succession planning.

The Board comprises highly experienced senior business leaders from a variety of professional backgrounds who each meet the fundamental requirements and, collectively, possess the skills, experience, tenure and diversity considered necessary to appropriately govern an ASX-listed, global, diversified financial group.

The BNC also considers the necessary and desirable competencies of new MBL directors. For example, through the appointment of additional BONDS in FY2024, the MBL Board increased the number of directors with skills in technology, digital and financial services regulation. These skills complement those of both the MGL and MBL Boards.

From time to time there are areas identified by the Board where additional knowledge would be beneficial, which it addresses by engaging external advisers, conducting site visits, Board workshops and/or requesting more detailed reporting from management. Sustainability reporting, data ethics and cyber threat intelligence and generative AI (artificial intelligence) are examples where this approach has been taken.



Details of the Directors' qualifications and experience are contained on pages 96 to 100 in the **Directors' Report** of this Annual Report.

(1) Board Committee composition changes that occurred in FY2024 are set out in the Directors' Report under 'Board and Board Committee meetings and attendance' on page 95 in the Directors' Report of this Annual Report.

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Skills matrix summary

The competencies of the current Board members and the number of Directors with each skill and their experience is set out below.

Skill	Description	Number of Directors ⁽²⁾
Leadership		
Large P&L leadership (CEO experience)	International CEO experience, significant P&L leadership, financial services (or other relevant industry) leadership, and long-term value creation	7
International business	International leadership, multi-country acquisition integration, internationalisation of a high-performance culture, internationalisation of remuneration and incentives, and international business connections	5
Customer and growth		
Innovation/growth mindset	Portfolio approach to innovation, growth business leadership, early adopter mindset, and multi-decade investment horizon	5
Financial services customer/client understanding	Customer advocacy, financial services customer segments, financial services customer needs and frustrations, and the digital expectations of customers	7
Finance and commercial		
Financial, commercial and strategic acumen	Portfolio based capital allocation, multi-jurisdictional financial systems and processes, successful strategic development and implementation, and business planning and budgeting	8
Technical audit	Financial services accounting, external and internal audit, financial controllership, and process and preparation of financial statements	3
Governance, risk and legal		
Large listed governance	Relevant board experience, board/committee leadership, board procedures and processes, investor engagement, and continuous disclosure regime	8
Financial services regulation	Knowledge of regulation, regulatory relationship leadership, proactive regulatory engagement, regulatory process and decision makers, and regulatory negotiation	6
Functional oversight		
People, culture and remuneration	Setting a balanced remuneration framework, external remuneration engagement, short and long-term incentives, and succession planning	7
Change management	Major project governance and oversight, vendor management, change management, and project risk and oversight	5
Technology and digital	Financial services technology, systems integration and vendor management, data management, privacy and data regulation, cybersecurity risk, digital strategy, and execution of digital transformation	1
Risk governance	Risk management systems, risk reporting to the board, crisis management, regulatory risk management, HR and people risks, and development, construction and operations	8
Bank/Group specific		
Australian retail/commercial banking	Australian financial services understanding, banking P&L leadership, retail banking experience, mortgage oversight, banking systems, and wealth management	5
Global financial and capital markets	Trading P&L leadership, trading risk oversight, and global markets understanding	7
Global funds management	Funds management P&L leadership, private asset investment, public securities investment, emerging markets investment, and client knowledge	5
Global investment banking	Global investment banking experience, investment banking P&L leadership, investment banking risk oversight, investment banking people and culture oversight, debt and equity capital markets, advisory, and merchant banking	5

(2) Number of directors who have a primary skill (i.e. a consistent ability to identify complex issues) in each area.

Director independence

Macquarie recognises that independent directors have an important role in assuring shareholders that the Board is able to act in the best interests of MGL and independently of management. MGL's NEDs meet regularly in the absence of management and Directors are also able to consult independent experts at MGL's expense, subject to the estimated costs being approved by the Chair in advance as being reasonable. The Board Charter requires that the Board has a majority of NEDs who satisfy MGL's criteria for independence.

The independence of NEDs is assessed prior to appointment and reviewed annually by the BGCC. The Board believes that independence is evidenced by an ability to constructively challenge and independently contribute to the work of the Board. MGL's criteria for assessing director independence align with the guidance provided in the 4th edition of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*.



MGL's *Policy on Director Independence* is available at [macquarie.com/corporate-governance](https://www.macquarie.com/corporate-governance)

88%

of Board members are Independent Directors

100%

of Board Committee members are Independent Directors

The findings of the annual review of Director independence by the BGCC are considered by the Board. As part of the review, MGL's criteria for assessing director independence are sent to each Independent Director. They are requested to confirm whether they have any interests, positions or relationships with Macquarie that could materially interfere with the Director's capacity to bring independent judgement on matters before the Board and act in the best interests of MGL. This year, there were no material or substantial relationships that were assessed as impacting on the independent judgement of MGL's NEDs. Some of the Directors hold positions in companies with which Macquarie has commercial relationships. All these dealings are not material and are in the ordinary course of business on arm's length commercial terms.

Dealing with potential conflicts of interest

Macquarie recognises that conflicts of interest or potential conflicts of interest may arise from time to time for its Directors. Macquarie has in place procedures to identify and monitor for such conflicts and to adopt appropriate measures where these arise.

The Board has protocols for its members for declaring and dealing with potential conflicts of interest that include:

- Board members declaring their interests required under the Act, the ASX Listing Rules and general law requirements
- Board members with a material personal interest in a matter before the Board not receiving the relevant Board paper and not being present at the Board meeting during the consideration of the matter and subsequent vote, unless the Board (excluding the relevant Board member) resolves otherwise

- as a general rule, Board members with other conflicts not involving a material personal interest in a matter before the Board should not receive the relevant Board paper and not be present at the Board meeting during discussion of the matter.

MBL is a subsidiary of MGL and all MGL NEDs generally also serve on the MBL Board. The MBL Board is ultimately responsible for the sound and prudent management of MBL, with due consideration to the interests of deposit holders. Where potential conflicts arise, there are a number of measures available to Directors of the relevant Board to deal with such conflicts (e.g., consideration by the MBL Board Conflicts Committee, BOND representation on the MBL Board and Board Committees, etc.). Management will also assist by giving Directors sufficient information to manage conflicts appropriately. Each Director has the ability to obtain independent advice or consult with independent experts where that Director considers it necessary to carry out their duties and responsibilities.

Culture and values

The balance between opportunity and accountability, while operating with integrity within a strong risk management framework, is a feature of Macquarie's success and a key factor in our long record of unbroken profitability. Our corporate governance practices reflect this balance.

The Board approves the *Code of Conduct* and oversees that the culture instilled by management reflects the principles enshrined within it:



Opportunity

We are entrepreneurial. Our people come from diverse backgrounds and are empowered to work together to pursue innovative ideas, to solve problems and challenge conventional thinking and the status quo. We work hard and with enthusiasm and everyone has the opportunity to achieve to their full potential. We have a learning and growth mindset, and continually evolve our expertise. We recognise and reward performance.



Accountability

We take pride and ownership of the long-term outcomes we deliver for our clients and shareholders, our communities and each other. We manage risk to ensure these outcomes are sustainable and invest our time and capital to contribute to a better future. We take ownership of the performance of our endeavours and seek to quickly identify and respond to change, emerging issues and trends.



Integrity

We operate with care and professionalism. We work collaboratively to amplify our impact and consider the effect of our decisions on others. We have the courage, and are encouraged, to speak up with our ideas, when we make a mistake or see something that doesn't seem right. We respect the law, community expectations, our regulators, shareholders, clients and customers and each other.

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The Board oversees compliance with key policies that are intended to instil a culture of acting lawfully, ethically and responsibly. An overview of the key policies that apply to our staff, such as the *Whistleblower Policy* and *Anti-bribery and Corruption Policy*, is provided in Macquarie's *Code of Conduct*. Material incidents and breaches relating to those policies and the *Code of Conduct* are reported to the Board, typically through the relevant Board Committee.

Macquarie's Code of Conduct

The Board approved *Code of Conduct*, which applies to Macquarie's Independent Directors and staff:

- incorporates *What We Stand For*: Macquarie's purpose and the principles of Opportunity, Accountability and Integrity that guide the way staff conduct business
- provides clear guidance on good decision-making and escalation, encouraging staff to speak up and report genuine concerns about improper conduct
- reinforces the main requirements of Macquarie's key policies.

To ensure Macquarie's culture of honesty and integrity remains strong throughout the organisation, all staff who join Macquarie receive specific training on *What We Stand For* and the *Code of Conduct*. Existing staff also receive periodic training and sign an annual certification that they understand the obligations imposed on them by the *Code of Conduct* as well as their responsibility to adhere to the Code.



What We Stand For and the *Code of Conduct* are available at [macquarie.com/what-we-stand-for](https://www.macquarie.com/what-we-stand-for)

The Integrity Office

Consistent with the principles of *What We Stand For*, Macquarie is committed to providing an environment in which people are comfortable escalating improper conduct or voicing concerns about unethical behaviour. The *Code of Conduct* sets out the expectation that staff speak up, and outlines the mechanisms, support and protections available to staff who do so.

The Integrity Office, established in 1998, supports this commitment as an internally independent function dedicated to receiving and investigating concerns about improper conduct or unethical behaviour and protecting those who raise concerns.

Macquarie's Whistleblower Program (Program) provides numerous channels for staff and external parties to confidentially raise concerns about improper conduct, including suspected breaches of the *Code of Conduct*. The Program, which is managed by the Integrity Office, is supported by the *Whistleblower Policy* and includes an externally managed service that enables concerns to be raised anonymously. All concerns raised with the Integrity Office or through the externally managed service are assessed and where appropriate, investigated.

The Integrity Office is also a point of contact for external parties such as suppliers and former employees to raise concerns about improper conduct by Macquarie or its staff.

The Integrity Office reports directly to MGL's CEO and provides an annual report to the BGCC. Supporting the Group Integrity Officer are Regional Integrity Officers located in various Macquarie offices around the world. The Integrity Office also promotes high ethical standards and good decision-making through communications and engagement with staff.



Macquarie's *Whistleblower Policy* is available at [macquarie.com/whistleblower-policy](https://www.macquarie.com/whistleblower-policy)

Customer Advocate

Macquarie established the Customer Advocate office in March 2017 to enhance its continuing commitment to its Australian retail and small business customers. In addition to customer support provided by the business, the Customer Advocate's role is to:

- listen to Macquarie's customers and provide a customer-centric voice when making recommendations to improve customer experience
- minimise the risk of future problems by reviewing key customer themes and new product approvals to identify opportunities to enhance products, services, systems and processes
- work with Macquarie complaint teams to promote fair and reasonable customer outcomes.

The Customer Advocate reports directly to the CEO and provides reporting to the BGCC.

Anti-bribery and Corruption Policy

Macquarie's *Anti-bribery and Corruption Policy* strictly prohibits the actual or attempted use of any form of bribery or corruption whether direct or indirect and whether involving Public Officials or private persons. Bribery and corruption are incompatible with the *Code of Conduct*, *What We Stand For* and the probity and integrity expected of Macquarie's NEDs and staff.

RMG, headed by the CRO, oversees the operation of the policy.



Macquarie's *Anti-bribery and Corruption Policy* is available at [macquarie.com/corporate-governance](https://www.macquarie.com/corporate-governance)

Diversity and Community

Diversity, Equity and Inclusion

Macquarie recognises that the diversity of its people is one of its greatest strengths and is fundamental to Macquarie's success. An inclusive, equitable workplace enables Macquarie to embrace diversity to deliver more innovation and sustainable solutions for its people, clients, shareholders and communities.

Macquarie's *Workforce Diversity Policy* defines its diversity commitment and the structures in place to promote:

- a diverse workforce that is reflective of the communities in which Macquarie operates
- equitable processes that enable staff to reach their full potential, and
- an inclusive environment where all staff can bring their full selves to work.

The BRC sets measurable objectives for increasing the diversity of Macquarie's workforce and annually assesses both those objectives and Macquarie's progress in achieving them.

Macquarie reports against its diversity objectives, which include increasing the proportion of women and people from under-represented groups at all levels in the Macquarie workforce. This includes diverse representation at senior leadership levels (Board of Directors, Executive Committee, Division Head and Senior Executive). The principles of equity and inclusion are embedded in Macquarie's people related practices and processes, including core talent programs, talent acquisition processes and promotion criteria, to ensure all staff have access to equitable opportunities.

All Macquarie staff, including its most senior leaders, are required to have annual DEI objectives, driving accountability from the top down. The BRC is responsible for reviewing and approving the annual Diversity, Equity and Inclusion section for the Annual Report. Reporting to the BRC sets out the composition of Macquarie's workforce, gender and cultural representation and progress towards achieving its measurable objectives for diversity.



Macquarie's measurable objectives for achieving diversity, and progress towards achieving those objectives, are detailed on pages 74 to 77 in the [Diversity, Equity and Inclusion](#) section of this Annual Report.



Macquarie's Workforce Diversity Policy is available at [macquarie.com/diversity-equity-and-inclusion](https://www.macquarie.com/diversity-equity-and-inclusion)

Macquarie and the community

Macquarie supports the wider community through various programs, including the Macquarie Group Foundation's (Foundation) employee engagement, grantmaking and social impact investing, and Macquarie Sports and the Macquarie Group Collection (Collection).

The Foundation is governed by the Macquarie Group Foundation Committee (Committee), which comprises senior executives from across Macquarie. The Committee is chaired by Mr Alex Harvey, Chief Financial Officer of Macquarie.

Committee members bring specific areas of expertise and experience and represent the geographical spread of Macquarie's employees. The Committee meets regularly to assess funding applications, review the Foundation's activities, and to set and monitor strategy.

The Foundation's Social Impact Investment Advisory Committee (SIIAC) and Macquarie Sports Advisory Committee comprise senior employees with a range of experience from across Macquarie.

Acquisitions for the Macquarie Group Collection are made by an Art Committee, comprising Macquarie employees, together with a curatorial consultant. The Collection has a cohesive integrity and it is the Art Committee's responsibility to uphold this integrity through the acquisition process.



Further information is available on pages 78 to 81 in the [Macquarie Group Foundation](#) section of this Annual Report.

Corporate reporting

Periodic corporate reports are verified internally by management prior to release to ASX and subject to external audit or review by PwC as required. The verification process allocates disclosures within the relevant document to designated persons to substantiate the disclosures by reference to company source documents or, if no source documents are available, by persons with the knowledge and expertise to confirm the accuracy and completeness of the disclosures.

Financial reporting

On behalf of the Board, the BAC:

- oversees the quality and integrity of Macquarie's financial reporting and the operation of the financial reporting processes:** The processes are aimed at providing assurance that the financial statements and related notes are complete, in accordance with applicable legal requirements and accounting standards and give a true and fair view of Macquarie's financial position and financial performance. During its review of Macquarie's interim and year-end financial reports the BAC meets with the external auditor in the absence of management
- reviews the external auditor engagement:** At least annually, the BAC reviews the terms of the engagement and assesses the performance, quality, expertise, resources and qualifications, objectivity, independence and effectiveness of the external auditor. During FY2024, the BAC oversaw Macquarie's comprehensive review of the external auditor. The governance framework for the external auditor is described on page 48. The BAC at least annually recommends to the Board the continuation of, appointment of a new, or removal of the existing external auditor
- monitors and reviews the operation of Internal Audit:** The BAC monitors and reviews the degree of independence of the Head of Internal Audit, their performance and remuneration (after seeking input from the CRO) and approves their appointment and removal. The BAC also approves the Internal Audit annual plan and monitors and reviews the effectiveness of the Internal Audit function
- reviews the adequacy of Macquarie's control framework for financial regulatory reporting to banking regulators:** The BAC receives reports prepared by management that assess the control effectiveness of Macquarie's Operating and Central Services Groups.

Auditor independence

Before the Board approves the interim and year-end financial reports, the BAC reviews the independence of the external auditor, PricewaterhouseCoopers (PwC).

Macquarie's *Audit and Assurance Independence Policy* sets out the independence requirements Macquarie requires of its auditor. The policy supplements the legal and professional standard requirements applicable to its auditor in each jurisdiction. The policy ensures the independence of the audit firm from MGL, its subsidiaries and Macquarie's managed funds and their controlled portfolio companies.

To ensure an effective and efficient audit, and to ensure the independence of the auditor, the policy guides the use of a single

Corporate Governance Statement

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audit firm for MGL, its subsidiaries, Macquarie's managed funds and their controlled portfolio companies.

Where non-audit work to be performed by the external auditor falls outside the scope of pre-approved services or the proposed engagement fee exceeds the policy's local currency threshold the policy requires BAC approval, or approval of the BAC Chair between meetings for subsequent noting by the BAC.

The policy, which reflects Australian legal requirements, also requires that Macquarie's lead auditor and review auditor be rotated every five years unless the Board grants approval to extend the term for up to a further two years.

As previously announced, in FY2023, the BAC recommended to the Board, and the Board approved, a replacement lead auditor. Ms Voula Papageorgiou of PwC replaced Ms Kristin Stubbins as Macquarie's lead auditor in FY2024. Ms Stubbins had been Macquarie's lead auditor since FY2020.

PwC attended the Annual General Meeting (AGM) held during the reporting period and was available to answer questions about the conduct of the audit, and the preparation and content of the auditor's report.

Macquarie's auditor provides a declaration to the BAC at the time of Macquarie's interim and year-end financial reports, that no prohibited non-audit services have been provided. The external auditor is also required to declare in their audit report that they are independent of MGL and its subsidiaries in accordance with the auditor independence requirements of the Act and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (including Independence Standards) that are relevant to its audit of the financial report in Australia.



The External Auditor Policy Statement describe key aspects of Macquarie's Audit and Assurance Independence Policy and external auditor review process, and are available at [macquarie.com/corporate-governance](https://www.macquarie.com/corporate-governance)

Review of the quality and effectiveness of the external auditor's performance

The BAC conducts an annual review of the quality and effectiveness of the external auditor, including qualifications, expertise, resources and performance of the external auditor, PwC. In addition to the BAC's annual external auditor review processes, a more detailed comprehensive review of the external auditor will be conducted at least every five years, beginning in FY2024.

The annual evaluation involves assessing PwC's performance against ASIC's audit quality guidance, obtaining feedback from the Board and senior stakeholders across various Macquarie finance and business teams, and obtaining and reviewing feedback from PwC on the results of any internal or other external audit quality reviews relating to the audit.

The comprehensive review conducted during FY2024 considered the performance of the audit firm over several years – both at Macquarie and as an audit firm in servicing its clients, its industry expertise, application of professional scepticism, internal quality processes and independence processes. This enhanced periodic review strengthens the governance framework for the external

auditor and helps manage risks relating to the external auditor's independence and effectiveness, which may include the risk of institutional familiarity arising from the external auditor's tenure.

The outcomes of the annual and comprehensive reviews were presented to and discussed with the BAC, and separately discussed with PwC. Having considered these outcomes, the BAC continues to be satisfied with the audit quality of the auditor.

The comprehensive review identified opportunities for both the auditor and Macquarie to evolve the audit relationship.

Macquarie has revised its *Audit and Assurance Independence Policy* to include requirements relating to audit tender, comprehensive review frequency and the provision of tax services, specifically:

- Macquarie will tender the audit of MGL and its subsidiaries every 10 years and require the same of its managed funds and their controlled portfolio companies, where circumstances allow, and Macquarie has the power to require such appointment
- Macquarie will continue to conduct a comprehensive review of its auditor in the intervening 5-year period with timing aligned to the rotation of the lead audit partner. Macquarie will continue to conduct an annual review of the quality and effectiveness of its auditor which aligns to ASIC's audit quality guidance
- Other than those tax services required for the audit or assurance of the financial statements, MGL and its subsidiaries will cease the use of its auditor for the provision of tax (including tax compliance) services with effect from 1 April 2025
- Macquarie has minimal appetite for the provision of tax services by the auditor to MGL and its subsidiaries and to Macquarie's managed funds and their controlled portfolio companies. Any new engagement will require BAC approval, unless:
 - the managed funds or controlled portfolio companies have an independent executive governance committee or board; and
 - that entity's auditor independence policy contains equivalent provisions as Macquarie's policy.

In limited commercial circumstances, and where the independence of the auditor is not impaired, the BAC may consider approving these services on an exceptional basis.

Macquarie expects to tender the audit of MGL, its subsidiaries, and its managed funds no later than mid-2026.

Based on the outcomes of this year's annual and comprehensive reviews, and the auditor's independence confirmations, the BAC recommended to the Board that PwC continue in its role as Macquarie's external auditor.

Board evaluation and consideration

In FY2024, the Board exercised its continuing oversight of the performance of the external auditor. Board members provided feedback forming part of the comprehensive review of the external auditor considered by the BAC to assess their effectiveness and service quality.

Based on that assessment, the results of the auditor independence reviews and recommendation of the BAC, in May 2024 the Board agreed that PwC should continue as Macquarie's external auditor.

Chief Executive Officer and Chief Financial Officer declaration

Before the MGL and MBL Boards consider and approve the interim and year-end financial statements, each Board receives written confirmation from their respective CEO and the Chief Financial Officer (CFO) that, in their opinion, the financial records have been properly maintained, the financial statements comply with the appropriate accounting standards and give a true and fair view of the company's financial position and performance, and their opinion is based on a sound system of risk management and internal control which is operating effectively in all material respects

Commitment to shareholders and an informed market

Macquarie is committed to ensuring that the market as a whole is relevantly and consistently informed regarding information about Macquarie by providing securityholders and the market with timely, balanced, direct and equal access to information issued by Macquarie, to promote investor confidence in the integrity of Macquarie and in the trading of its securities.

Macquarie has a *Continuous Disclosure Policy*, which outlines the responsibility of the Continuous Disclosure Committee for authorising the release of any price sensitive market announcements, unless such announcement requires Board approval.

All external communications that include any price sensitive material for public announcement, annual and interim result announcements, release of financial reports, presentations to investors and analysts and other prepared investor presentations for Macquarie will, in accordance with the *Continuous Disclosure Policy*:

- be factual and subject to internal review and authorisation before issue
- not omit material information
- be timely and expressed in a clear and objective manner.

Material announcements relating to matters that fall within the reserved powers of the Board and not delegated to management, or which are otherwise clearly within the purview of the Board's responsibilities, are referred to the Board for approval. The Board receives copies of material market announcements promptly after they have been released by ASX.



Macquarie's *Continuous Disclosure Policy* is available at [macquarie.com/corporate-governance](https://www.macquarie.com/corporate-governance)

Macquarie has an investor relations program to facilitate effective two-way communication with investors and analysts and to provide a greater understanding of Macquarie's business, performance, governance and financial prospects. Macquarie engages with institutional investors, private investors, sell-side analysts and buy-side analysts throughout the year via scheduled and ad hoc interactions.

As part of Macquarie's commitment to keep its investor base informed, management presents at various investment conferences and conducts investor visits and meetings (including virtual) throughout the year.

All material investor or analyst presentations are lodged with ASX ahead of the presentation and made available on Macquarie's website.

Macquarie's website

Recent announcements, past and current reports to shareholders, including summaries of key financial data, operational briefing presentations, AGM webcasts and copies of recent notices of meeting are available on the investor centre page of our website. Investor Relations contacts are also available on our website.



Further information about Macquarie is available at [macquarie.com](https://www.macquarie.com)

Shareholder meetings

MGL encourages shareholders to participate in general meetings and aims to choose a date, time and venue convenient to its shareholders. For shareholders who are unable to attend in person, MGL provides a webcast of its AGM and any other general meetings. The results of all resolutions are lodged with ASX as soon as they are available after the meeting.

MGL typically holds its AGM in July each year.

Notices of meeting are accompanied by explanatory notes on the items of business and together they seek to clearly explain the nature of business of the meeting.

If shareholders are unable to attend the meeting, they are encouraged to vote on the proposed motions by appointing a proxy. The proxy form sent to shareholders explains how to appoint a proxy. Online proxy voting is also available to shareholders.

Unless specifically stated in a notice of meeting, all holders of fully paid ordinary shares are eligible to vote on all resolutions. MGL's practice is that voting on each proposed resolution is conducted by poll.

MGL seeks to conduct its shareholder meetings in a courteous manner for those attending. In the interests of attending shareholders, the Chair of the meeting will exercise their powers to ensure the meeting is conducted in an orderly and timely fashion.

MGL's 2023 AGM was held as a hybrid meeting with shareholders able to attend in person or online. Shareholders were provided with various alternatives to participate in the AGM, including by watching the AGM live through a facility that enabled shareholders to vote and to ask questions or make comments online and a dial-in teleconference to listen to the meeting live and to ask questions on the telephone but not vote.

Shareholder communications

Shareholders can elect to receive communications from, and send communications to, MGL and MGL's share registry electronically by visiting the Investor contacts page on Macquarie's website.



Further information about Macquarie is available at [macquarie.com/investors](https://www.macquarie.com/investors)

Corporate Governance Statement

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Risk governance

Macquarie's approach to risk management is based on stable and robust core risk management principles.



Supported by a sound risk culture

The Board annually approves Macquarie's *Risk Appetite Statement* and *Risk Management Strategy*. The BRiC assists the Board by providing oversight of Macquarie's risk management framework and advising the Board on Macquarie's risk appetite, risk culture and risk management strategy.

The BRiC constructively challenges management's proposals and decisions on risk management arising from Macquarie's activities. The Board is also assisted by the BAC, BRC and BGCC in its oversight of financial and non-financial risk.

Each year, including FY2024, the Board oversees the operation of Macquarie's risk management framework by management to satisfy itself that the framework continues to be appropriate and that Macquarie is operating with due regard to the risk appetite set by the Board. Key components of the framework are reviewed by the relevant Risk Management Group (RMG) divisions and the results are reported to the Board. The Internal Audit Division (IAD) independently and objectively reviews the compliance with, and effectiveness of, Macquarie's risk management framework at least annually, with coverage of all material elements of the framework over a 3-year period.

The risk management framework has been established on the premise that a disciplined approach to risk management is best maintained with a single risk management framework that is applied appropriately throughout Macquarie (including the Bank Group). In addition, the Bank Group maintains its own governance structure, which includes the MBL Board and Board Committees, MBL CEO, MBL Executive Committee and other management committees.

Macquarie's risk culture

A sound risk culture has been integral to Macquarie's risk management framework since inception. Macquarie sets, promotes, monitors and reflects on the effectiveness of our risk culture. All staff have a role in managing risk. Ownership of risk, including risk culture, is at the business level. The Board, assisted by the BRiC, is responsible for forming a view on Macquarie's risk culture and the extent to which it supports the ability of Macquarie to operate consistently within its risk appetite. The Board also identifies and monitors any necessary or desirable actions to change the risk culture.

Chief Risk Officer

The Head of RMG, as Macquarie's CRO, is a member of the Executive Committee and reports directly to the CEO. The CRO has a secondary reporting line to the BRiC, which reviews the performance and objectives of the CRO and approves the appointment and removal of the CRO. The CRO has unfettered access to the Board, the BRiC and its Chair. The BRiC meets with the CRO, in the absence of other management, at least annually to discuss any matters that the BRiC or the CRO believe should be discussed privately. The CRO reports risk matters at the BRiC meetings. Where there is no scheduled BRiC meeting, the CRO presents risk matters at a Board meeting.

Internal audit

The IAD provides independent and objective risk-based assurance to the BAC, Board, other relevant Board Committees and Senior Management on the compliance with, and effectiveness of, Macquarie's financial and risk management framework, including its governance, systems, structures, policies, processes and people for managing material risks.



The structure of the IAD, and further details of Macquarie's risk management approach, are contained on pages 82 to 88 in the **Risk Management** section of this Annual Report.

Environmental, Social and Governance risk

The Board and management recognise the importance of sound Environmental, Social and Governance (ESG) practices as part of their responsibility to our shareholders, funders, clients, employees and the communities in which Macquarie operates.

Macquarie's ESG approach is structured around eight focus areas considered to be material to our business and stakeholders. They are: environmental and social risk management; climate change; environmental and social financing; sustainability in our own business operations; client and customer experience; people and workplace; business conduct and ethics; and community. Building on *What We Stand For* and the *Code of Conduct*, these focus areas reflect the risks and opportunities identified by the business and the issues of interest to our stakeholders.

Environmental and social risks have been identified as material risk events within Macquarie's risk management framework, while climate change and net zero transition are incorporated as causal risks under External Risk and Strategic/Business Risk, respectively, within Macquarie's risk management framework.

Information on Macquarie's management of environmental and social risks, including climate-related, nature-related, and human rights risks, are provided within the ESG section of this Annual Report. Further details are also available in Macquarie's Net Zero and Climate Risk Report and Modern Slavery Act Transparency Statement.



Additional information is available at [macquarie.com/esg](https://www.macquarie.com/esg) and [macquarie.com/risk-management](https://www.macquarie.com/risk-management)

Oversight of remuneration

Macquarie's longstanding and consistent approach to remuneration continues to support Macquarie's purpose statement, 'Empowering people to innovate and invest for a better future'. Staff interests are aligned with shareholders to meet the needs of clients and customers, while ensuring that the spirit and intent of regulatory requirements are upheld. This broad approach has been in place since Macquarie's inception and is reviewed regularly to ensure the framework continues to meet our remuneration objectives and aligns with our remuneration principles and the expectations of stakeholders.

MGL's NEDs oversee management's implementation of Macquarie's remuneration framework. The BRC assists the Board with Macquarie's remuneration policies and practices.

Non-Executive Director remuneration

MGL's NEDs are remunerated for their services from the maximum aggregate annual amount approved by shareholders, currently \$A5 million. They do not receive payments on their retirement from office other than payments relating to their accrued superannuation contributions comprising part of their remuneration, if any.

To align the interests of the Board with shareholders, NEDs are required to have a meaningful direct shareholding in MGL. Unlike Macquarie executives, NEDs are not granted equity nor are they eligible to receive profit share payments.

The Board minimum shareholding requirement for:

- NEDs other than the Chair, is an investment equivalent to one times the average annual NED fee for the financial year ended prior to their appointment
- the Chair, is an investment equivalent to one times the annual Chair fee

with the minimum number of shares to be acquired by NEDs determined using the share price as at the date of appointment.

The above requirements apply to MGL's NEDs and are to be met within three years from appointment with one third of the requirement to be held after one year, two thirds after two years and in full after three years.



Each NED's current Macquarie shareholding is set out in the Key Management Personnel disclosure on page 150 in the **Remuneration Report** of this Annual Report.

Executive remuneration

Macquarie's remuneration framework has been a key driver of our sustained success as an international organisation. Staff are motivated to grow businesses over the medium to long-term, taking accountability for all decisions and their accompanying risk management, customer, economic and reputational outcomes. This approach has been fundamental in ensuring we can continue to attract, motivate and retain exceptional and entrepreneurial people with deep industry expertise across the 34 markets in which we operate. It is characterised by an emphasis on performance-based remuneration, profit share determined based on a range of financial and non-financial factors and retaining a significant proportion of performance-based remuneration to enable risk outcomes to be considered over a longer period.

Macquarie's remuneration framework works as an integrated whole. An individual's remuneration comprises fixed remuneration, profit share and, for Executive Committee members (our Executive Key Management Personnel (Executive KMP)), Performance Share Units. Macquarie retains a percentage of each individuals' annual profit share allocation (retained profit share) above a certain threshold. This is invested in a combination of Macquarie ordinary shares under the Macquarie Group Employee Retained Equity Plan and Macquarie-managed fund equity.



Details of Macquarie's approach and the amount of remuneration paid to NEDs and Executive KMP are contained on pages 106 to 156 in the **Remuneration Report** of this Annual Report.

Corporate Governance Statement

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Key policies

Dealing with potential conflicts

Macquarie's *Conflicts of Interest Policy* sets out the framework, controls and administration for identifying, preventing and managing conflicts of interest – whether actual, potential or perceived.

Macquarie has established various systems and controls to prevent and manage conflicts of interest, many of which are outlined in Macquarie's policies in relation to conflicts of interest, information barriers and confidentiality, investment research, personal investments, gifts and entertainment, outside business activities, allocations of financial products, personal relationships in the workplace and political contributions. Conflict checks are required prior to entering into certain business arrangements.

Staff are expected to appropriately manage or avoid any conflict of interest between Macquarie or its clients and the interests of a staff member. Activities such as personal investment and outside business activities are subject to disclosure and pre-approval.

Managing conflicts of interest forms part of the training on *What We Stand For* and the *Code of Conduct* for all new and existing staff.

Trading Macquarie securities

Key requirements of the *Trading Policy* include:

- **trading prohibition while in possession of material non-public information:** dealing in Macquarie securities while in possession of inside information is prohibited
- **trading windows:** generally, Directors and staff may only trade in Macquarie securities during designated trading windows following MGL's announcement of its interim results, full year results and AGM
- **pre-clear securities trading:** directors and staff must pre-clear their Macquarie securities trading
- **excluded dealings:** certain types of transactions such as acquisition of securities under an employee share plan or participation in a dividend reinvestment plan may be effected outside a trading window without pre-clearance
- **invested equity held in the MEREP and shares held to meet the minimum shareholding requirement cannot be hedged.**

Each member of the Board is encouraged to consider positions in a Macquarie security as a long-term investment and is not permitted to trade derivatives relating to a Macquarie security without the prior approval of the Chair of the Board (in consultation with the CEO). Board members and Executive KMP are also required to annually disclose to Macquarie any financing arrangements relating to their Macquarie securities and manage their financing arrangements in accordance with Macquarie's policies.



MGL's *Trading Policy* sets out the restrictions that apply to dealing in Macquarie securities by Directors and Macquarie staff, including Executive KMP, and is available at [macquarie.com/corporate-governance](https://www.macquarie.com/corporate-governance)

Corporate governance in Macquarie-managed funds

Macquarie's expertise in managing fund assets and sourcing new value-adding opportunities is a key attraction for investors in Macquarie-managed funds (Funds).

The Funds adopt an appropriate governance framework to ensure that key decisions are taken in the best interests of investors consistent with the Funds' mandates and regulatory requirements.



Macquarie's *Statement of Corporate Governance in Macquarie-managed Funds* sets out the key elements of the corporate governance framework for Macquarie-managed funds and is available at [macquarie.com/corporate-governance](https://www.macquarie.com/corporate-governance)

This Corporate Governance Statement is current as at 2 May 2024 and has been approved by the Board.



Our Key to Disclosures (Appendix 4G) has been lodged with ASX and is available at [macquarie.com/corporate-governance](https://www.macquarie.com/corporate-governance)