

# Macquarie Group Limited Policy on Director Independence

**Last annual review:** 1 June 2022

**Last updated:** 19 September 2023

The Charter of the Board of Voting Directors (*Directors*) of Macquarie Group Limited (*MGL*) requires that the Chair of MGL and a majority of Directors must be independent Directors. The MGL Board believes that independence is evidenced by an ability to constructively challenge and independently contribute to the work of the Board. It is also the policy of the MGL Board that a majority of the members of each Board Committee should be independent Directors, that the Board Audit Committee will comprise only of independent Directors and that each Board Committee be chaired by an independent Director.

A Director of MGL will be considered independent if they are free of any interests, positions or relationships 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 the Macquarie Group.

The independence of each Non-Executive Director (*NED*) is considered prior to appointment and then considered annually by the MGL Board Governance and Compliance Committee (*BGCC*) and confirmed by the Board of MGL. As part of the review process, each NED is provided with a copy of this Policy and asked to declare whether they have any interests, positions or relationships that could materially interfere with the Director's capacity to act in the best interests of MGL (Declaration). Each NED is also asked to provide information regarding relationships with MGL, including relationships of close personal ties with MGL, for review by the BGCC.

## Criteria for assessing independence

In considering the independence of Directors, the BGCC and the Board will have regard to whether or not the Director:

1. is, or has been employed in an executive capacity by MGL or another member of the Group and there has not been a period of at least three years between ceasing such employment and serving on the MGL Board;
2. receives performance-based remuneration (including options or performance rights) from, or participates in an employee incentive scheme of, MGL;

3. is, or has been within the last three years, in a material business or contractual relationship (e.g. as a supplier, professional adviser, consultant or customer), other than as a director, with MGL or a member of the Group, or is an officer of, or otherwise associated with, someone with such a relationship;
4. is, represents, or is or has been within the last three years an officer or employee of, or professional adviser to, a substantial shareholder of MGL;
5. is, or has within the last three years, been affiliated with or employed by a present or former external auditor of MGL or another member of the Group;
6. has close personal ties<sup>1</sup> with any person who falls within any of the categories described above; or
7. has been a Director of MGL for such a period that their independence from management and substantial shareholders may have been compromised.

In each case, the materiality of the interest, position or relationship needs to be assessed by the MGL Board to determine whether it might interfere, or might reasonably be seen to interfere, with the Director's capacity to bring an independent judgement to bear on issues before the MGL Board and to act in the best interests of MGL as a whole rather than in the interests of an individual security holder or other party. Materiality thresholds are determined by the MGL Board.

MGL recognises that conflicts of interest or potential conflicts of interest may arise from time to time for its Directors from disclosed business relationships or interests. These are managed in accordance with the MGL Board's protocols for declaring and dealing with potential conflicts of interest.

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<sup>1</sup> Based on family, friendship or other social or business connections.