



Macquarie Group Limited Board Charter

Date: 1 June 2024

1. Role and responsibilities

- 1.1 The role of the Board of Voting Directors (“Directors”) of Macquarie Group Limited (the “Board”) is to promote the long-term interests of Macquarie Group Limited (“Macquarie”) and its subsidiaries (the “Group”), taking into account Macquarie’s specific and broader responsibilities to its shareholders, funders, clients, staff and the communities in which it operates. In carrying out their role the Directors shall also have regard to the specific obligations of the Board as set out in the Australian Prudential Regulation Authority’s (“APRA’s”) prudential standards (as may be amended from time to time), including on governance (CPS 510 *Governance*), remuneration (CPS 511 *Remuneration*), capital (APS 110 *Capital*), liquidity and funding (APS 210 *Liquidity*), risk management (CPS 220 *Risk Management*) and intra-group transactions and exposures (3PS 222 *Intra-Group Transactions and Exposures*).
- 1.2 To accomplish its role, the Board:
- a. approves the *Code of Conduct* to underpin the desired culture within the Group and oversees that the culture instilled by management reflects the principles enshrined in the *Code of Conduct*;
 - b. annually considers and approves the strategies and business plans of the Group, having regard to risk appetite and any significant change in the direction of those strategies;
 - c. adopts an annual budget for the Group and monitors financial performance of the Group;
 - d. approves and monitors Macquarie’s funding and capital management strategy, including the Group’s internal capital adequacy assessment process;
 - e. monitors Macquarie’s liquidity and approves the Group’s liquidity policy, recovery plan and liquidity contingency plan;
 - f. approves Macquarie’s dividend payments and any return of capital by Macquarie;
 - g. approves the interim and final financial statements and reports of the Group and any other report requiring Board approval at law or under the ASX Listing Rules;
 - h. considers, at least annually, a report from the Board Audit Committee regarding the annual performance and independence reviews of Macquarie’s external auditor and any recommendation of the Board Audit Committee regarding the continuation of Macquarie’s existing external auditor;
 - i. considers the recommendations from the Board Audit Committee on the appointment, and removal, of Macquarie’s external auditor for shareholder approval;
 - j. approves any proposal to issue shares, or instruments which may convert or exchange into shares of Macquarie;
 - k. approves Macquarie’s risk appetite statement and the risk management strategy, monitors material risks faced by the Group and reviews how they are managed;
 - l. oversees management’s operation of the Group’s risk management framework, including its compliance framework;
 - m. forms a view of the Group’s risk culture and the extent to which it supports Macquarie operating consistently within its risk appetite, and identifies and monitors any desirable actions to change the risk culture;
 - n. determines the role of Board Committees and considers reporting from all Board Committee meetings;
 - o. approves risk acceptance decisions above delegated levels of credit limits, country risk exposures, equity risk limits, market risk limits, equity investments, underwriting risk and new managed funds;
 - p. approves capital expenditure, transactions and major corporate initiatives above delegated levels where not previously approved as part of a project;
 - q. monitors the relationship with key regulators;
 - r. appoints the Managing Director and Chief Executive Officer;
 - s. reviews the performance of, and approves the remuneration arrangements and outcomes for, the Managing Director and Chief Executive Officer and key management personnel, and approves the remuneration for other staff which is required to be approved by the Board;

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- t. approves the Group's Remuneration Policy and oversees the Group's remuneration framework;
 - u. approves annual Executive Director promotions;
 - v. reviews senior executive succession plans and human capital reporting;
 - w. assesses its own performance and the performance of individual Directors;
 - x. selects and appoints new Directors for shareholder approval;
 - y. determines the most appropriate approach to corporate governance for the Group; and
 - z. approves or endorses major policies of the Group, which are required to be approved by the Board, including those relating to diversity, equity and inclusion.

2. Delegation to management

- 2.1 The Board has appointed the Managing Director and Chief Executive Officer who is authorised to exercise all of the powers of the Directors, subject to the matters that are reserved for the Board at law or in paragraph 1.2, or are delegated to a Committee or one or more other Directors.

3. Composition

- 3.1 Under Macquarie's constitution, the Board is to comprise a minimum of five and a maximum of ten Directors, until amended by a resolution of the Board. It is expected that under normal circumstances the majority of Directors will ordinarily be resident in Australia. The Board will seek to ensure that Board members have an appropriate mix of skills, experience, tenure and diversity to discharge its responsibilities.
- 3.2 The Board, or by delegation a Board Committee, will determine an appropriate definition of an Independent Director. The Chair and a majority of the Board must be Independent Directors.
- 3.3 The Board may appoint any person to be a Director either to fill a casual vacancy or as an addition to the existing Directors (but not so as to exceed the total permitted number of Directors). Any Director so appointed must stand for election at the next general meeting.
- 3.4 In accordance with Macquarie's constitution, at each annual general meeting of Macquarie, there must be an election of at least one Director.
- 3.5 The Board recognises the importance of undergoing a regular process of Board renewal via changes in membership to provide the Board with the benefit of regular new input. The general expectation is that new Non-Executive Directors will serve three 3-year terms from first election by shareholders. However, a Non-Executive Director's continuing Board membership is subject to their ongoing performance and relevance of their skills and experience. Non-Executive Directors may serve for longer than three 3-year terms if the Board considers it to be of significant benefit to Macquarie.

4. Meetings

- 4.1 Regular and special additional meetings will be scheduled as the Chair deems appropriate in order for the Board to perform its role or to satisfy particular needs. The Company Secretary is required to convene a meeting if requested to do so by any Director.
- 4.2 The Chair determines the agenda for meetings in conjunction with the Company Secretary. The Company Secretary is appointed by the Board and is accountable to the Board, through the Chair, for matters relating to the proper functioning of the Board.
- 4.3 The Board acknowledges that some special Board meetings may be called at short notice. The Board requires Directors to attend as many Board meetings as possible and to have read and considered the Board papers ahead of each meeting.
- 4.4 In addition to the above meetings, the Independent Directors are to meet at least once per year in the absence of management, and at such other times as they may determine.

5. Board Committees

- 5.1 The Board may from time to time establish Board Committees (“Committees”) to assist it in carrying out its responsibilities.
- 5.2 The Directors will, as a minimum, establish the following Committees, and will adopt charters setting out matters relevant to the composition, responsibilities, authorities and administration of each Committee, and other matters that the Board may consider appropriate:
- a. a Board Audit Committee (“BAC”);
 - b. a Board Governance and Compliance Committee (“BGCC”);
 - c. a Board Nominating Committee (“BNC”);
 - d. a Board Remuneration Committee (“BRC”); and
 - e. a Board Risk Committee (“BRiC”).
- 5.3 The Board, with the assistance of the BNC as required, determines the membership of the Committees. The Chair, with the assistance of the BNC as required, will review each Non- Executive Director’s continuing membership on a Board Committee at least once every three years. Non-executive Committee members are entitled to receive fees as determined from time to time by the Board.
- 5.4 All Directors may attend any meeting of any Board Committee or request a copy of any Board Committee paper.

6. Allocation of responsibilities between Board Committees

- 6.1 The BRiC assists the Board by providing oversight of the Group’s risk management framework and advising the Board on the Group’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 which the Group operates on its risk position and profile. The BRiC monitors the Group’s risk culture and, with assistance from the BGCC, conduct risk, and forms a view on the Group’s risk culture and the extent to which it supports the ability of the Group to operate consistently within its risk appetite.
- 6.2 The BAC assists the Board with its oversight of the quality and integrity of the accounting, auditing and financial reporting of the Group. The BAC also reviews the adequacy of the Group’s control framework for financial regulatory reporting to prudential regulators and monitors the internal financial control environment. The BAC monitors the effectiveness, objectivity and independence 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.
- 6.3 The BRC assists the Board with 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 the Group. The BRC reviews Human Resources-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 Macquarie’s remuneration report.
- 6.4 The BGCC assists the Board with adopting the most appropriate corporate governance standards for the Group and assists the Board by monitoring regulatory, legal, compliance and financial crime risk matters for the Group, including reviewing and monitoring compliance with the Group’s *Conduct Risk Management Framework* and its implementation. In addition, the BGCC reviews and monitors Macquarie’s work health and safety risk management policies, customer and client reporting and environmental and social risk management policies, practices and performance. The BRiC, BRC and BAC also oversee aspects of the regulatory, legal and compliance risk matters for the Group relating to their duties and responsibilities.
- 6.5 The BNC assists the Board in satisfying itself that it has an appropriate mix of skills, experience, tenure and diversity to be an effective decision-making body in order to provide successful oversight and stewardship of Macquarie.

7. Appointment, development and performance evaluation

- 7.1 Each new Director will receive a letter setting out the key terms and conditions of their appointment. An induction programme will be provided as agreed with each new Director. The induction programme will typically include meeting with the Managing Director and Chief Executive Officer, the Managing Director and Chief Executive Officer of Macquarie Bank Limited, each Operating Group Head, the Chief Risk Officer, the Chief Financial Officer, the Chief Operating Officer, the General Counsel, the Company Secretary and other relevant executives to familiarise themselves with Macquarie, its procedures and prudential requirements, and Board practices and procedures.
- 7.2 On an ongoing basis, Directors may undertake and request training and professional development, as appropriate, at Macquarie's expense.
- 7.3 The performance of the Board as a group and of individual Directors is to be assessed each year. In particular, the Board considers the performance and particular skills of Directors standing for re-election and the requirement for any other particular skills or experience not currently available on the Board prior to the Board determining whether to recommend their re-election to shareholders.

8. Conflicts of interest

- 8.1 Board members will abide by guidelines for declaring and dealing with actual and/or potential conflicts of interest. Such guidelines will be approved by the Board and incorporate procedures to deal with:
- Board members declaring their interests as required under the Corporations Act 2001 (Cth), Australian Securities Exchange Listing Rules and general law requirements;
 - Board members with a material personal interest in a matter before the Board should not receive the relevant Board paper and not be present at a Board meeting during the consideration of the matter and subsequent vote, unless the Board (excluding the relevant Board member) resolves otherwise; and
 - 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 during discussion of the matters.

9. Access

- 9.1 Macquarie's external auditor is not to be constrained from raising issues directly with the Board.
- 9.2 The Board may seek further information on any issue, including requesting that a particular Division or Group Head present to it on the performance, strategy or outlook for that Division or Group.
- 9.3 Board members are required to deal with regulators in an open, constructive and cooperative way. In particular, Board members are not to be constrained or impeded from disclosing information to the Australian Prudential Regulation Authority ("APRA") or the external auditor in accordance with statutory and regulatory requirements and must be available to meet with APRA and the external auditor on request after notification to the Chair.
- 9.4 Each Director will have the ability to consult independent experts where that Director considers it necessary to carry out their duties and responsibilities. Any costs incurred as a result of the Director consulting an independent expert will be borne by Macquarie, subject to the estimated costs being approved by the Chair, in advance, as being reasonable.

10. Conduct

- 10.1 The Board will approve, and Board members will abide by the Group's *Code of Conduct* which sets out clear expectations of the way Directors and staff are expected to manage their responsibilities and conduct business.
- 10.2 The Non-Executive Directors will abide by the *Non-Executive Voting Directors Personal Investments Policy*.