

## Policy on Director Independence

A Voting Director (Director) will be considered independent if not a member of management, and if they are free of any interests or relationships that could materially interfere with the director's ability to act in the best interests of Macquarie and independently of management. The Board of Macquarie Group Limited (Macquarie) is composed of a majority of Independent Directors, and one of the Independent Directors is appointed Chairman.

The independence of each Non-Executive Director (NED) is considered prior to appointment and then confirmed annually by the Board Governance and Compliance Committee (BGCC). Prior to the BGCC's consideration of director independence, each NED is asked to declare whether they have any interests or relationships that could materially interfere with the directors ability to act in the best interests of Macquarie and independently of management (Declaration). Each NED is also asked to provide information regarding relationships with Macquarie, including relationships of close family members with Macquarie, for review by the BGCC. A NED will normally be considered independent if they:

- Are not a substantial shareholder of Macquarie or of a company holding more than five per cent of Macquarie's voting stock or an officer of or otherwise associated directly with a shareholder holding more than five per cent of Macquarie's voting stock.
- Have not been employed within the last three years in an executive capacity by Macquarie or another group member or been a director after ceasing to hold any such employment.
- Have not been a partner, director or senior employee of a material professional adviser to Macquarie and its entities within the last three years.
- Have not had a material business relationship, including as a supplier or customer, within the last three years with Macquarie or its entities or an officer of, or otherwise associated with, someone with such a relationship.
- Do not have a material contractual relationship with Macquarie or any of its group entities other than as a director.
- Are not a director of any of Macquarie's subsidiaries or its responsible entities, other than Macquarie Bank Limited and any intermediate holding company.
- Do not have any other interests or relationships (including close family ties with any person who falls within any of the categories described above), that could materially interfere with the director's ability to act in the best interests of Macquarie and independently of management.

The BGCC reviews each Director's Declaration, tenure and the materiality of any interests or relationships disclosed by the NED. Materiality is assessed having regard to each individual director's circumstances, the circumstances of the supplier, customer or advisor and any other significant relationships with Macquarie or its subsidiaries.

The Board believes that independence is evidenced by an ability to constructively challenge and independently contribute to the work of the Board. It is the policy of the 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.

The Board manages potential conflicts that may arise from disclosed business relationships or interests in accordance with its guidelines for Board members declaring and dealing with conflicts of interest. A Director who is or within the last three years has been a partner, director or senior employee of a professional adviser will not participate in any consideration of the possible appointment of the professional adviser and will not participate in the provision of any service to Macquarie by the professional adviser.

**Date:** 11 May 2015