

# Corporate Governance Statement

## continued

### Remuneration

The Board of Directors oversees Macquarie's remuneration arrangements, including executive remuneration and the remuneration of Non-Executive Directors. The Board is assisted by the BRC. The BRC annually reviews the remuneration strategy to ensure it delivers the best outcomes for Macquarie and shareholders.

Non-Executive Directors are not granted equity, nor do they receive bonus payments. They do not receive termination payments on their retirement from office other than payments accruing from superannuation contributions comprising part of their remuneration. Details of Macquarie's approach and the amount of remuneration paid to Non-Executive Directors are contained in the Remuneration Report.

Details of the nature and amount of remuneration (including non-monetary components such as equity grants) for each Executive Voting Director and the members of the Executive Committee as well as Macquarie's remuneration policies and practices are also set out in the Remuneration Report.

### Corporate Governance in Macquarie-managed funds

The Macquarie-managed funds' (Funds) governance standards provide an alignment of interests between the manager and investors in the Funds and adopt an appropriate governance framework to ensure protection of security holder interests.

The key elements of Macquarie's corporate governance framework for Funds are:

- **Appropriate management of conflicts of interest arising between a Fund and its related parties.** Related party transactions should be identified clearly, conducted on arm's length terms and tested by reference to whether they meet market standards. Decisions by listed Funds about transactions with Macquarie or its affiliates should be made by parties independent of Macquarie.
- **Appropriate resourcing of funds management businesses.** In particular:
  - staff involved in managing a Fund should be dedicated to the relevant funds management business, rather than to advisory or other activities
  - all recommendations to Fund boards (and supporting information) should be prepared or reviewed by funds management staff
  - each listed Fund that invests in operating assets or businesses should have its own managing director or chief executive officer
  - Chinese Walls operate to separate Macquarie's corporate finance, advisory and equity capital markets businesses from its funds management businesses.

Macquarie's expertise in managing fund assets and sourcing new value-adding opportunities is a key attraction for investors in Macquarie-managed funds. While Macquarie exercises general oversight of its funds management subsidiaries as set out above, decision-making relating to transactions by Funds are made by the directors of the responsible entities of, and companies within, the Funds.