

Corporate Governance Statement

Macquarie's approach to Corporate Governance

Macquarie's approach to governance, which has remained largely consistent over time, is to:

- promote the long term profitability of Macquarie while prudently managing risk
- drive superior and sustainable shareholder value over the long term through the alignment of the interests of shareholders and staff
- meet stakeholder expectations of sound corporate governance as part of Macquarie's broader responsibility to clients, shareholders, investors and the communities in which it operates.

Macquarie recognises that a key factor in delivering long term shareholder returns is providing superior services to clients. Macquarie recruits high quality staff and expects staff to uphold the company's *Goals and Values*.

Macquarie Group Limited (Macquarie) is a global financial services specialist. Its shares are listed on the Australian Securities Exchange (ASX). ASX listed companies are required to report on the extent to which the company has followed the governance recommendations set by the ASX Corporate Governance Council (ASX Recommendations) during the reporting period. Macquarie considers that during the year it has followed the governance arrangements set out in the ASX Recommendations. A summary of the ASX Recommendations and reference to the applicable

Macquarie governance practice is available on Macquarie's website at macquarie.com.au.

Macquarie is regulated by the Australian prudential regulator, APRA, as a non-operating holding company of a licensed Australian bank, Macquarie Bank Limited (Macquarie Bank). APRA's prudential standards include governance requirements. Macquarie also has subsidiaries that are supervised by regulators in the overseas jurisdictions in which they operate. The notes to Macquarie's financial statements include a list of material subsidiaries of the company.

During the year, Macquarie continued to monitor regulatory and corporate governance developments and their impact on Macquarie's businesses. The level of global regulation remains a key challenge.

On 19 May 2011, Diane Grady was appointed to the Boards of Macquarie and Macquarie Bank and on 21 December 2011, Greg Ward was appointed Deputy Managing Director of Macquarie and Chief Executive Officer and Managing Director of Macquarie Bank upon Richard Sheppard's retirement from those positions. Other than expanding the responsibilities of the Board Corporate Governance Committee (since renamed the Board Governance and Compliance Committee) to include oversight of work health and safety (WHS) and environmental matters on behalf of the Board in December 2011, Macquarie's corporate governance framework remained unchanged during the year.

Corporate Governance Framework

