

External Communications Policy Summary

Macquarie Group & Macquarie Bank



Macquarie Group Limited (MGL) and Macquarie Bank Limited (MBL) believe that security holders, regulators, ratings agencies, and the investment community generally, should be informed of all major business events and risks that influence the Company in a factual, timely and widely available manner. In particular, MGL and MBL recognise their continuous disclosure obligations under Australian Securities Exchange Limited (“ASX”) Listing Rules and the Corporations Act 2001 (Cth) (Corporations Act).

The Company is generally required to immediately disclose all information concerning it (of which it is or becomes aware) that a reasonable person would expect to have a material effect on the price or value of its securities*. The Company has adopted external communication practices that reflect the intent of the law, contemporary corporate governance practices and regulatory requirements and which best serve the interests of its security holders.

This policy sets out how staff should deal with potentially price-sensitive information and communications generally with media, security holders and the wider community in order to ensure that the Company meets its obligations under the ASX Listing Rules and the Corporations Act and other Australian regulatory requirements. This is a joint policy and has been adopted by each of MGL and MBL as its external communications policy. The policy applies to each of MGL and MBL separately and needs to be read in this way (e.g. “Company” refers to each of MGL and MBL).*

This policy is also directed at ensuring that where Macquarie does disclose price sensitive information, it does so in a non-selective (ie public) manner to ensure the market as a whole is fully informed and in the same position regarding information about Macquarie.

Who this policy applies to

The Board and the Executive Committee of the Company have adopted this policy which applies:

- to all directors on the Board of the Company; and
- to all employees, contractors and consultants of the Company and its affiliated entities, together referred to as “staff” in this policy.

This policy applies only to matters concerning the performance and outlook of the Company itself not its individual products or services (unless material to the Company).

* **Please note the following important interpretation rules for the Policy.** The word “**Company**” is used throughout this Policy to refer to each of MGL and MBL, except where the Policy applies differently in respect of MGL and MBL, in which case specific reference is made to the relevant entity using the separate defined term for that entity (i.e. MGL or MBL). The words “**security holder**” are used throughout this Policy to refer: in respect of MGL, to holders of ordinary shares in MGL (“shares”); and in respect of MBL, to holders of Macquarie Income Securities (“MIS”) (the word “securities” has the corresponding meaning in respect of MGL and MBL).

1. OUR CONTINUOUS DISCLOSURE OBLIGATION

ASX Listing Rule 3.1 requires the Company to immediately disclose all information concerning the Company (of which it is or becomes aware) that a reasonable person would expect to have a material effect on the price or value of any of the Company's securities, unless the information falls within the exceptions set out below. All price sensitive information must be publicly released through the ASX before disclosing it elsewhere.

In addition, external regulators require the Company to disclose information which will allow market participants to assess risk exposures, the risk assessment process, and capital adequacy and treatment.

1.A. Knowledge

ASX Listing Rule 3.1 applies to information that a director or executive officer not only has in his or her possession, but also ought reasonably to have in his or her possession. The Corporations Act, in combination with the Criminal Code, also refers to intentional, reckless and negligent states of mind on a failure to disclose material information. As a company does not have a state of mind, that of its agents (particularly its directors) becomes relevant.

Disclosure must be made as soon as a director or executive officer becomes aware or ought to be aware of the information.

1.B. Information which may have a material impact on price

A reasonable person is taken to expect information to have a "material effect" on the price or value of the Company's securities if it would, or would be likely to, influence persons who commonly invest in securities in deciding whether to acquire or dispose of the securities. Materiality is therefore to be assessed by reference to more than just the likely impact on reported profits.

1.C. Exceptions to Listing Rule 3.1

ASX Listing Rule 3.1 does not require disclosure if the information is confidential (and ASX has not formed the view that the information has ceased to be confidential) and if a reasonable person would not expect it to be disclosed and if:-

- it would be a breach of the law to disclose the information; or
- the information concerns an incomplete proposal or negotiation; or
- the information comprises of matters of supposition or is insufficiently definite to warrant disclosure; or
- the information is generated for internal management purposes; or
- the information is a trade secret.

2. CONTINUOUS DISCLOSURE PROCEDURE

2A. Continuous disclosure procedure

If there is a matter that requires disclosure under ASX Listing Rule 3.1 (or a corresponding requirement of another exchange's rules), the Head of CCIR will ensure appropriate disclosure seeking input, where practical, from the MGL Managing Director and Chief Executive Officer (MGL CEO), the MGL Deputy Managing Director/MBL Managing Director (MBL CEO), the Board Chairman, the Chief Financial Officer (CFO), the General Counsel, the Company Secretary and the relevant business area.

If the matter relates to financial results, the Chairman of the Board Audit Committee (“BAC”) is to be consulted and if the matter relates to remuneration, the Chairman of the Board Remuneration Committee (“BRC”) is to be consulted. If the matter is a Company-transforming event and/or is clearly within the purview of the Board’s responsibilities, the announcement must be referred to the Board for its consideration and approval in accordance with 2.C below.

The obligation to make immediate disclosure under ASX Listing Rule 3.1 will take priority where consultation is not possible or practical prior to disclosure.

If agreement cannot be reached as to whether a matter should be disclosed or the nature or extent of disclosure, having regard to the matters listed in section 1.B. above, or if any one of those persons regards the matter as appropriate to be considered by the Disclosure Committee, the matter is to be referred to the Disclosure Committee.

The Disclosure Committee is to consist of the Chairman, the MGL CEO, the MBL CEO, the CFO, the General Counsel, the Group Head relevant to the matter, the Company Secretary and the Head of CCIR, or a subset of this group depending on availability. The Head of Risk Management Group and the Chairman of the BAC or of the BRC will be invited to attend as appropriate. The Committee will formally meet to consider issues notified with other Macquarie executives in attendance as appropriate. Minutes of these meetings are to be distributed to the next Executive Committee meeting.

The Head of CCIR will oversee the drafting of all ASX and media releases, and will manage or oversee the lodgement of the ASX release. A guide to preparing releases is to be available to all staff on the Macquarie intranet site (Macnet).

2.B. How is relevant information expected to be sourced?

All Executive Directors, Division Heads and Country Heads are:

- a. expected to be familiar with the requirements of this Policy so that they can identify events or matters which may require disclosure to the ASX; and
- b. responsible for immediately passing information from their respective areas to their Group Heads that they think should, or may need to be, disclosed under the Company’s continuous disclosure obligation.

Group Heads are responsible for immediately passing information from their respective areas that they think should, or may need to, be disclosed, to the Head of CCIR. If a Group Head is unsure whether a matter should or needs to be disclosed, the Group Head should consult with the Head of CCIR.

Where staff become aware of a developing matter which is not yet required to be disclosed to the market but is likely to require disclosure in the future, the matter is to be notified to the Head of CCIR (or delegate) as soon as practicable. The Head of CCIR (or delegate) will then liaise as appropriate in relation to that matter to ensure that the Company satisfies its obligations under Listing Rule 3.1 or other regulations at the appropriate time.

The secretaries of the Board, Executive Committee, Operations Review Committee and the Asset and Liability Committee, are responsible for briefing the Head of CCIR on relevant papers in advance of each meeting and on the outcome of the discussion on the papers after each meeting.

The Head of CCIR and the Company Secretary are responsible for assessing matters that come to their attention in their respective capacities for information that may require disclosure under ASX Listing Rule 3.1 or have reputational consequences for Macquarie.

2.C. Matters for Board consideration and approval

Material announcements relating to matters which fall within the reserved powers of the Board and not delegated to management or which are otherwise clearly within the purview of the Board's responsibilities must be referred to the Board for approval in accordance with this clause. Such matters include:

- Company-transforming events; and
- any other matters that are determined by the Board Chairman, the Disclosure Committee or any member of that Committee to be of fundamental significance to the Company.

Where an announcement is to be considered and approved by the Board, the Company Secretary and/or the Head of CCIR must ensure that the Board is provided with an accurate summary of all relevant information necessary to ensure that it is able to fully appreciate the matters dealt with in the announcement.

2.D. Trading halts

Macquarie may seek an ASX trading halt pending an announcement where it may take time to assess information. The Head of CCIR and/or the Company Secretary will determine whether to apply to ASX for a trading halt, seeking input, where practical, from the MGL CEO, the MBL CEO, the CFO, the General Counsel and the relevant business area.

3. DISCLOSURE OF COMPANY MATTERS GENERALLY

All external communications by the Company will:

- be factual and subject to internal vetting and authorisation before issue;
- not omit material information; and
- be timely and expressed in a clear and objective manner.

3.A. Corporate Information

In general, comments relating to the Company's corporate activities such as its results, the outlook for its earnings, or the market for its securities, should only be made by the Chairman, the MGL CEO, the MBL CEO, the CFO the Head of CCIR or the Company Secretary to ensure that all proposed public comments are already in the public domain or are not material.

3.B. Group/Divisional information

Only Group and Division Heads are authorised to communicate about operating group-wide or division-wide issues. Group and Division Heads and other senior executives may discuss the activities of their group/division, or of the Company, in general discussion with clients if it is publicly available or not price sensitive.

3.C. Non-material Transactions

Macquarie generally does not make announcements about non-material transactions, except where there are sound commercial reasons for doing so.

3.D. Joint ventures and joint initiatives

To determine whether announcements on joint ventures are price sensitive, staff should always discuss matters with the Head of CCIR or the Company Secretary prior to making any statements.

For all joint ventures involving Macquarie, all media communications, including press releases, and mentions of Macquarie, must be pre-approved by CCIR, irrespective of whether the joint venture carries the Macquarie name or not.

3.E. Confidential information

Staff must not make unauthorised disclosures of confidential information or use it for purposes other than those for which it was disclosed except as required by law. Requirements imposed by a confidentiality agreement or undertaking with a client or other person, imposed by law, or specified in divisional policies, procedures or rules must be followed.

Where confidential information is to be provided to another party, staff must ensure that measures are in place to maintain the confidentiality of that information, such as a legally binding confidentiality agreement.

3.F. Leaks, rumours and speculation

The Company's policy is to generally not comment on speculation and staff should not be drawn into a discussion of leaks, rumours and speculation. Staff should refer enquiries to the Head of CCIR so that the enquiry will be dealt with in accordance with the continuous disclosure procedure set out in section 2 above, if warranted.

If ASX forms the view that a false market has been created and requests that the Company provide information, the Head of CCIR, in conjunction with the Company Secretary, is to proceed with the matter as if it were a notification under the continuous disclosure procedure above and prepare a response to ASX.

3.G. Meetings with investors and analysts

MGL hosts briefings for investors and analysts on its interim and full-year results in October/November and April/May, respectively. In addition, as part of MGL's commitment to keep its investor base informed, management presents at various investment conferences and conducts investor visits and meetings throughout the year. All material presentations and other disclosures are lodged with ASX and made available on Macquarie's website.

3.H. Other disclosure and inadvertent disclosures

If any price sensitive information is inadvertently disclosed by a staff member in discussions with any party outside the Company, the relevant Group Head and Head of CCIR are to be immediately notified, who will then proceed with the matter as if it were a notification under the continuous disclosure procedure above.

3.I. Media Releases, Social Media and other dealings with the media

All contact with the media to discuss Macquarie and/or its activities must be referred to the relevant CCIR executive in the first instance. Approval from CCIR must also be given for any media release or social media interaction.

Macquarie has a Media & PR policy in place to protect and enhance the reputation of Macquarie and ensure consistency in the way Macquarie is presented to the media and broader communities around the world. All staff should be familiar with the policy which is owned by CCIR and forms part of the External Communications Policy.

4. COMMUNICATIONS WITH SECURITY HOLDERS AND INVESTORS

CCIR Division is primarily responsible for communications with security holders and investors in Australia and overseas.

4.A. Reports to security holders, analysts and Ratings Agencies

MGL produces two sets of reports with financial information for security holders annually:

- the Interim Update and Interim Financial Report for the six months to 30 September; and
- the Annual Review and Annual Financial Report for the year to 31 March

MBL also produces a Financial Report for the six months to 30 September and an Annual Report for the year to 31 March.

Security holders may elect to be sent these documents by mail. They may also choose instead to be notified by email when the documents are available from Macquarie's website.

4.B. Annual general meetings

The Company usually holds its annual general meeting (AGM) in July of each year. The date, time and venue of the AGM each year is notified to ASX when the Annual Report is lodged in April/May.

The Company will choose a date, venue and time considered convenient to the greatest number of its security holders. The notice of meeting will be accompanied by explanatory notes on the items of business and together they will seek to clearly and accurately explain the nature of business of the meeting. In that regard, the Company will be cognisant of best practice, including the Guidelines for Notices of Meetings produced by the ASX Corporate Governance Council. A full copy of the most recent Notice of Meeting will be placed on Macquarie's website.

Security holders are encouraged to attend the meeting, or if unable to attend, to vote on the motions proposed by appointing a proxy (Macquarie Income Security holders may not be entitled to vote on all proposed motions at a MBL general meeting). The proxy form included with the Notice of Meeting will seek to explain clearly how the proxy form is to be completed and submitted. MGL also makes available an online proxy appointment facility. Formal addresses and the formal business of the AGM will be webcast for the benefit of security holders unable to attend and in line with industry best practice.

The Company will request its auditor to attend each AGM and be available to answer questions about the conduct of the audit and the preparation and contents of the auditor's report.

The Company will follow similar practice for any other general meetings which may be held.

4.C. Website

The Company will maintain a website providing information on its products, services and businesses, as well as information useful to security holders and market participants. The MGL website contains a Shareholder Centre which directs security holders immediately to information likely to be of greatest interest to them.

The Company will post all recent information material to its security holders and market participants on its website, including (as applicable):

- Annual and Interim Reports/Updates for the last five years
- Results Presentations for each of the last five years

- Operational Briefings for the last five years
- Current Credit Ratings for MGL and MBL and summaries of the funding arrangements for MGL and MBL (for professional investors only)
- Basel II Pillar 3 Disclosures for MBL
- The Notices of Meeting and Chairman's address' for the last five Annual General Meetings
- Recent MGL investor presentations
- MGL share price history
- Recent dividend payments on shares
- Recent distributions paid on hybrid securities
- Calendar of events relevant to Security holders and investors
- A summary of the last ten years' financial data
- The Company's Constitution
- A summary of MGL's corporate governance practices
- Recent company ASX/media announcements
- A link to the Company's share registry

Investors are also invited to register to receive information electronically as it is posted on Macquarie's website.

4.D. Other use of technology

MGL hosts briefing sessions for investors and analysts on its interim and full-year results in October/November and April/May, respectively. Copies of the presentations are lodged with ASX prior to the sessions. These briefings are held via a video conference between Sydney and Melbourne and teleconferencing facilities are made available for investors and analysts unable to attend. The sessions are also webcast and podcast so that all investors may view the briefings.

MGL will consider the use of other reliable communications technologies as they become widely available.

4.E. Security holder/Investor queries

Security holders with questions about their security holdings should contact the Company's security registry. Questions about the Company, its performance and other general investor inquiries should be directed to CCIR. Contact details for the security registry and CCIR, including email and facsimile contacts, will be provided on Macquarie's website and in the Annual Report.

All security holder and investor queries are to be dealt with courteously, objectively and expeditiously. Any security holder or investor complaints are to be dealt with in accordance with Macquarie's Complaints Policy.

5. COMPLIANCE AND RESOURCES

The Head of CCIR, aided by the Company Secretary, is responsible for the Company's continuous disclosure obligation, overseeing and co-ordinating disclosure of information to ASX, security holders, analysts and brokers and educating directors and staff on the Company's disclosure policies and procedures.

The Head of CCIR has also been appointed as the person responsible for communication with ASX in relation to ASX Listing Rules matters pursuant to ASX Listing Rule 12.6. In his absence, the Company Secretary becomes the responsible person.

CCIR has responsibility for preparing, facilitating and co-ordinating communications, and fostering relations with the Company's security holders and the wider investment market about the Company and its listed securities as investments.

CCIR's responsibilities also include overseeing media relations in Australia and overseas. Any contact with media must be advised to CCIR who can provide assistance and advice in dealing with media.

Review of this policy

This policy will be reviewed regularly by Company management to reflect current regulatory, community and investor requirements. In particular, the Head of CCIR and the Company Secretary are responsible for updating this policy in response to changes in internal structure, legislative, regulatory, market and technological developments.