

Macquarie Group Limited
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22 June 2021



Company Announcements Office
Australian Securities Exchange Limited
via ASX Online

Dear Sir/Madam

Macquarie Group Limited (ASX Code: MQG) – Notice of 2021 Annual General Meeting

Pursuant to ASX Listing Rule 3.17.1, please find attached copies of the Notice of 2021 Annual General Meeting (Notice) and proxy form, which are being despatched to shareholders from today. The meeting will be held at 10:30 am on Thursday, 29 July 2021.

Yours faithfully

Dennis Leong
Company Secretary



Macquarie Group Notice of 2021 Annual General Meeting

10:30am Thursday, 29 July 2021

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macquarie.com



MACQUARIE

11 June 2021

Dear Shareholder

Please find enclosed notice of the 2021 Annual General Meeting (AGM) of Macquarie Group Limited (Macquarie) which will take place on Thursday, 29 July 2021 at 10:30 am (AEST).

Macquarie continues to monitor the ongoing risks from the COVID-19 disease outbreak. In the interests of the health and safety of shareholders, staff and other potential attendees and given the uncertainty regarding the rules which may be in place at the time of the meeting relating to large in-person gatherings, the Board has decided to hold this year's meeting largely as an online meeting. The Chairman of the meeting, other Macquarie Directors and senior management will conduct the meeting from our Sydney Head Office with other shareholders and interested parties to attend the meeting online.

As we did last year, we are providing shareholders with various alternatives to participate in the AGM, including by watching the AGM live online through a facility which will also allow shareholders to cast a direct vote and to ask questions or make comments online. A dial-in teleconference will also be available to shareholders. Information on how to participate is provided on the following page and at the following web address: <http://macq.co/agm2021>. The AGM will also be webcast live on Macquarie's website at macquarie.com and the webcast will be recorded for later viewing on Macquarie's website.

The Managing Director and Chief Executive Officer, Shemara Wikramanayake, and I will comment briefly on the performance of the Macquarie Group during the year to 31 March 2021 at the meeting. You are also referred to the comments in Macquarie's 2021 Annual Report, which is available on Macquarie's website, for further information. Each of the Directors standing for election or re-election will also address the meeting. The meeting will cover the items of business transacted annually, refreshed approval of termination benefits for Macquarie officers and approval of the Macquarie Group Capital Notes 5 issued earlier this year.

Yours faithfully

Peter Warne
Chairman

How to participate in the AGM

The Macquarie Group Limited (Macquarie) Annual General Meeting (AGM) will be held at 10:30 am (AEST) on Thursday, 29 July 2021. The AGM will be conducted by the Chairman joined by Macquarie's Directors and senior management at Level 10, 50 Martin Place, Sydney NSW 2000. There are a number of ways shareholders and interested parties can participate in the AGM:

- **online:** shareholders and proxyholders are encouraged to participate in the AGM online, which will allow them to view a live webcast, ask questions in writing and vote
- **teleconference:** for shareholders and proxyholders who are unable or do not wish to access the meeting online, this will allow them to listen to the meeting live and ask questions on the telephone, but not vote
- **webcast:** for viewing the meeting live, however it does not provide for asking questions or voting.

Please note that there may be a 15-30 second delay when attending online or watching the webcast.

Proxy voting and proxyholder participation

Macquarie encourages all shareholders to submit a proxy vote online ahead of the meeting. Proxy votes can be lodged at <https://investorcentre.linkmarketservices.com.au>

Further information on lodging a proxy vote ahead of the meeting is available on page 7 of this Notice of Meeting booklet.

Proxyholders will need to contact Macquarie's share registry, Link Market Services Limited (Link), on 1300 554 096 (within Australia) or +61 1300 554 096 (internationally) to obtain their login details to participate live online.

Questions

Please note, only shareholders and proxyholders may ask questions online and, on the telephone, once they have been verified. It may not be possible to respond to all questions. Shareholders may also lodge questions prior to the meeting by logging into <https://investorcentre.linkmarketservices.com.au> and clicking on 'Ask' by 10:30 am (AEST) on Tuesday, 27 July 2021.

How to participate live online



Login

Shareholders and proxyholders are encouraged to watch and participate in the AGM via the online platform by using:

computer or mobile devices:

enter the following URL in your browser: <https://web.lumiagm.com> using the latest version of Chrome, Safari, Edge or Firefox or click the following link: <https://web.lumiagm.com/399287899>

The meeting ID for Macquarie's AGM is: 399-287-899

You will then need to enter your SRN/HIN and postcode.

Your SRN/HIN is printed on your Proxy Form.

Your postcode is your postcode registered on your holding if you are an Australian shareholder. For overseas shareholders, you should enter your "country code" which can be found in the online User Guide available at <http://macq.co/agm2021>

Proxyholders will need to contact Macquarie's share registry, Link, on 1300 554 096 or +61 1300 554 096 to obtain their login details to participate live online.

Non-shareholders may login using the guest portal on the Lumi AGM platform.

Online registration will open at 9:30 am (AEST) on Thursday, 29 July 2021 (one hour before the meeting).



Direct voting online

Once polls are open, shareholders can cast a direct vote by clicking on the bar chart icon.



Ask a question online

Click this icon for the submission of written questions. Questions may be moderated or amalgamated if there are multiple questions on the same topic.



For further detail, please refer to the user guide on our website at <http://macq.co/agm2021>

How to participate by teleconference



Dial in details

Shareholders and appointed proxies who are unable or do not wish to access the meeting online can dial into the teleconference and will be able to listen to the meeting live and ask questions on the telephone. Participants cannot vote using the teleconference facility.

Shareholders will need to contact Link on 1300 554 096 or +61 1300 554 096 to pre-register and receive details for the teleconference line, by 10:30 am (AEST) on Tuesday, 27 July 2021.



Asking a question on the teleconference

Once you have dialed into the teleconference using your pre-registration information, please follow the prompts to ask a question.



Webcast

The meeting will be webcast live on the Macquarie website.

Non-shareholders may view the webcast by registering online as a guest.

The webcast is 'view only'. Those viewing the webcast through the Macquarie website will not be able to vote or ask questions.

The meeting will also be recorded and will be available on the Macquarie website shortly after the event.



Access the live webcast and subsequent recording at macquarie.com



01

Notice of Meeting

Gwynt y Môr Offshore Wind Farm, United Kingdom

Macquarie-managed funds have been invested in Gwynt y Môr Offshore Wind Farm since 2017. The 576 MW project, located off the coast of North Wales in the United Kingdom, has capacity to power the equivalent of 430,000 homes each year.

Notice of Meeting

The 2021 Annual General Meeting (AGM) of Macquarie Group Limited (ACN 122 169 279) (Macquarie, MGL, the Company) will take place on Thursday, 29 July 2021, at 10:30 am (AEST). Macquarie Board members and senior management will conduct the meeting from Macquarie's Sydney Office on Level 10, 50 Martin Place, Sydney, NSW 2000. Other shareholders and interested parties may attend online at <https://web.lumiagm.com> or by teleconference. Registration for online attendance will commence at 9:30 am (AEST) on the day.

Items of business

1. Financial statements

To consider and receive the Financial Report, the Directors' Report and the Auditor's Report of Macquarie for the financial year ended 31 March 2021.

2. Election of Voting Directors

2a. Election of Ms RJ McGrath as a Voting Director

To consider and, if thought fit, pass the following as an ordinary resolution:

That Ms RJ McGrath, having been appointed as a Voting Director since the last Annual General Meeting, be elected as a Voting Director of Macquarie.

2b. Election of Mr M Roche as a Voting Director

To consider and, if thought fit, pass the following as an ordinary resolution:

That Mr M Roche, having been appointed as a Voting Director since the last Annual General Meeting, be elected as a Voting Director of Macquarie.

2c. Re-election of Mr GR Stevens as a Voting Director retiring by rotation

To consider and, if thought fit, pass the following as an ordinary resolution:

That Mr GR Stevens be re-elected as a Voting Director of Macquarie.

2d. Re-election of Mr PH Warne as a Voting Director retiring by rotation

To consider and, if thought fit, pass the following as an ordinary resolution:

That Mr PH Warne be re-elected as a Voting Director of Macquarie.

3. Adoption of the Remuneration Report

To consider and, if thought fit, pass the following as an ordinary resolution:

To adopt the Remuneration Report of Macquarie for the year ended 31 March 2021.

4. Approval of Termination Benefits

To consider and, if thought fit, pass the following as an ordinary resolution:

That approval be given for all purposes, including for the purposes of sections 200B and 200E of the Corporations Act 2001 (Cth), for the giving of all benefits to current or future key management personnel of the Company or persons who hold a managerial or executive office in the Company or a related body corporate, in connection with the person ceasing to hold an office or position of employment in the Company or a related body corporate, as set out in the Explanatory Notes to the Notice of Meeting convening this meeting.

5. Approval of Managing Director's participation in the Macquarie Group Employee Retained Equity Plan (MEREP)

To consider and, if thought fit, pass the following as an ordinary resolution:

That the following be approved for all purposes:

- (a) participation in the MEREP by Ms S Wikramanayake, Managing Director and Chief Executive Officer; and
- (b) acquisition by Ms S Wikramanayake of Restricted Share Units and Performance Share Units and the acquisition of shares in the Company in respect of those Restricted Share Units and Performance Share Units,

all in accordance with the terms of the MEREP and on the basis described in the Explanatory Notes to the Notice of Meeting convening this meeting.

6. Approval of the issue of Macquarie Group Capital Notes 5

To consider and, if thought fit, pass the following as an ordinary resolution:

That the issue of 7,254,400 Macquarie Group Capital Notes 5 by the Company, on the terms and conditions as summarised in the Explanatory Notes to the Notice of Meeting convening this meeting and set out in the replacement prospectus issued by the Company and dated 23 February 2021, is ratified for all purposes, including for the purpose of ASX Listing Rule 7.4.

Chairman's voting intention

The Chairman of the Meeting intends to vote undirected proxies **in favour of Items 2a, 2b, 2c, 2d, 3, 4, 5 and 6**. There will be no resolution regarding item 1.

Notice of Meeting

Continued

Voting exclusions

Item 3 – Adoption of the Remuneration Report

A vote on Item 3 must not be cast (in any capacity) by or on behalf of:

- (a) a member or a former member of the key management personnel (KMP) whose remuneration details are disclosed in Macquarie's 2021 Remuneration Report, or
 - (b) a closely related party of such a KMP,
- unless the vote is cast by a person as proxy for a person entitled to vote in accordance with a direction on the proxy form.

This restriction on voting undirected proxies does not apply to the Chairman of the Meeting acting as proxy for a person entitled to vote on Item 3 because Macquarie's proxy appointment expressly authorises the Chairman of the Meeting to exercise undirected proxies. A closely related party includes close family members and companies the KMP controls.

Item 4 – Approval of Termination Benefits

A vote on Item 4 must not be cast (in any capacity) by, or on behalf of, any person who may be entitled to receive a benefit in connection with that person's retirement from office, or position of employment, the subject of Item 4 (Relevant Executive), or an associate of that Relevant Executive. However, a person is entitled to cast a vote if:

- (a) it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the resolution; and
- (b) it is not cast on behalf of a Relevant Executive or an associate of a Relevant Executive.

In any event, Macquarie has determined that it will disregard any such votes cast by or on behalf of a staff member in determining whether Item 4 is passed.

In addition, a vote must not be cast on Item 4 by a member of the KMP of Macquarie, or a closely related party of a KMP, acting as proxy for a person entitled to vote, if their appointment does not specify the way the proxy is to vote on Item 4.

Where the Chairman of the Meeting is appointed as proxy and none of the 'For', 'Against' or 'Abstain' boxes is marked for Item 4, the appointing shareholder will be deemed to direct the Chairman to vote in favour of Item 4.

Item 5 – Approval of Managing Director's participation in the Macquarie Group Employee Retained Equity Plan (MEREP)

Macquarie will disregard any votes cast in favour of Item 5 by or on behalf of the Managing Director and Chief Executive Officer (Managing Director) or an associate of the Managing Director. However, this does not apply to a vote cast in favour of Item 5 by:

- (a) the Managing Director or any associate of the Managing Director as proxy or attorney for a person who is entitled to vote on Item 5, in accordance with the directions given to the proxy or attorney to vote on Item 5 in that way; or
- (b) the Chairman of the Meeting, as proxy or attorney for a person who is entitled to vote on Item 5, in accordance with a direction given to the Chairman to vote on Item 5

as the Chairman decides; or

- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on Item 5; and
 - (ii) the holder votes on Item 5 in accordance with directions given by the beneficiary to the holder to vote in that way.

In addition, a vote must not be cast on Item 5 by a member of the KMP of Macquarie or a closely related party of a KMP, acting as proxy for a person entitled to vote, if their appointment does not specify the way the proxy is to vote on Item 5. This restriction on voting undirected proxies does not apply to the Chairman of the Meeting acting as proxy for a person entitled to vote on Item 5 because Macquarie's proxy appointment expressly authorises the Chairman of the Meeting to exercise undirected proxies.

Item 6 – Approval of the issue of Macquarie Group Capital Notes 5

Macquarie will disregard any votes cast in favour of Item 6 by or on behalf of any person who participated in the issue of Macquarie Group Capital Notes 5 (MCN5) or an associate of those persons. However, this does not apply to a vote cast in favour of Item 6 by:

- (a) a person as proxy or attorney for a person who is entitled to vote on Item 6, in accordance with the directions given to the proxy or attorney to vote on Item 6 in that way; or
- (b) the Chairman of the Meeting, as proxy or attorney for a person who is entitled to vote on Item 6, in accordance with a direction given to the Chairman to vote on Item 6 as the Chairman decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on Item 6; and
 - (ii) the holder votes on Item 6 in accordance with directions given by the beneficiary to the holder to vote in that way.

By order of the Board



Dennis Leong
Company Secretary

Sydney

11 June 2021

Notes

1. Proxies

Macquarie encourages all shareholders to submit a proxy vote online ahead of the meeting. Shareholders who do so may either participate in the meeting themselves or appoint a proxy to participate for them. A proxy need not be a shareholder of Macquarie. If you are entitled to cast two or more votes, you may nominate two persons to vote on your behalf at the meeting. If two proxies are appointed, each proxy may be appointed to represent a specified number or proportion of your votes. Fractions of votes will be disregarded. If no such number or proportion is specified, each proxy may exercise half your votes.

Votes may be cast 'For' or 'Against' or you may 'Abstain' from voting on a resolution. To direct a proxy how to vote on any resolution, place a mark (e.g. a cross) in the appropriate box on the proxy form or insert the number of shares or percentage of shares that you wish to vote in the appropriate box. A valid voting direction must not exceed the total number of shares held or 100 percent. If you 'Abstain' from voting, your votes will not be counted in computing the required majority on a poll.

For shareholders receiving the Notice of Meeting by post, a proxy form and a reply-paid envelope have been included with this Notice of Meeting. Proxy voting instructions are provided on the proxy form.

2. Online proxy facility

You may submit your proxy appointment online at <https://investorcentre.linkmarketservices.com.au>

Login to the Link website using the holding details as shown on your Proxy Form. To use the online lodgement facility, shareholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on your Proxy Form).

You will be taken to have signed the proxy appointment if you lodge it in accordance with the instructions on the website. If you wish to use this facility, you must submit your proxy appointment through the facility by **no later than 10:30 am (AEST) on Tuesday, 27 July 2021**. A proxy cannot be appointed online if they are appointed under a power of attorney or similar authority.

If you wish to appoint a second proxy contact Macquarie's share registry, Link Market Services, online or on 1300 554 096 (within Australia) or +61 1300 554 096 (internationally). Please read the instructions for the online proxy facility carefully before you submit your proxy appointment using this facility.

If you receive shareholder communications by email, your Notice of Meeting email will include a link to the online proxy appointment site.

3. Proxy delivery

Completed proxies must be received by Macquarie's share registry, Link Market Services, online or at Link Market Services Limited, Locked Bag A14, Sydney South NSW 1235 (facsimile number +61 2 9287 0309) or at Link Market Services Limited, 1A Homebush Bay Drive, Rhodes NSW 2138 or Level 12, 680 George Street, Sydney NSW 2000 or at Macquarie's registered office in Sydney, by **no later than 10:30 am (AEST) on Tuesday, 27 July 2021**.

Any revocations of proxies (including online proxy appointments) must be received at one of these places before the commencement of the meeting.

4. Power of Attorney

If a shareholder has appointed an attorney to participate and vote at the meeting, or if the proxy is signed by an attorney, the power of attorney (or a certified copy of the power of attorney) must be received by Macquarie's share registry, Link Market Services, at the post office box or facsimile number in Note 3 above, or at Macquarie's registered office in Sydney, by **no later than 10:30 am (AEST) on Tuesday, 27 July 2021**, unless the power of attorney has been previously lodged with Macquarie's share registry.

5. Corporate representatives

If a corporate shareholder wishes to appoint a person to act as its representative at the meeting, that person should be provided with a letter or certificate authorising him or her as the company's representative (executed in accordance with the company's constitution) or with a copy of the resolution appointing the representative, certified by a secretary or director of the company. A form of appointment of corporate representative may be obtained from Macquarie's share registry, Link Market Services, online at linkmarketservices.com.au or on 1300 554 096 (within Australia) or +61 1300 554 096 (internationally).

The form attaching the letter, certificate or certified resolution referred to above must be received by Link Market Services at Locked Bag A14, Sydney South NSW 1235 (macquarie@linkmarketservices.com.au or facsimile number +61 2 9287 0309), by no later than the commencement of the meeting, unless it has previously been lodged with Macquarie's share registry.

6. Direct voting online during the meeting

Shareholders entitled to vote at the meeting are entitled to vote directly online at any time from when invited by the Chairman at the start of the meeting until the Chairman closes voting at the meeting.

If a shareholder casts a direct vote live during the meeting on a particular resolution, they are taken to have revoked the authority of a proxy, attorney or representative to vote on their behalf on that resolution under an instrument of appointment received by Macquarie before registering online for direct voting.

For instructions on how to submit a direct vote online, or voting online as a proxyholder, during the meeting, see page 3.

Notice of Meeting

Continued

7. Shareholders eligible to vote

Pursuant to regulation 7.11.37 of the Corporations Regulations 2001 (Cth), the holders of Macquarie's ordinary shares for the purposes of the meeting, will be those registered holders of Macquarie's ordinary shares at **7:00 pm (AEST) on Tuesday, 27 July 2021**.

8. Voting at the meeting

Voting on each of the proposed resolutions at this meeting will be conducted by poll.

9. Conduct of the meeting

Macquarie is committed to ensuring that its shareholder meetings are conducted in a manner which provides those shareholders (or their proxy holders) who attend the meeting with the opportunity to participate in the business of the meeting in an orderly fashion and to ask questions about and comment on matters relevant to the business of the meeting or about Macquarie generally. Macquarie will not allow conduct at any shareholder meeting which is discourteous to those who are present at the meeting, or which in any way disrupts or interferes with the proper conduct of the meeting. The Chairman of the Meeting will exercise his powers as the Chairman to ensure that the meeting is conducted in an orderly and timely fashion, in the interests of all attending shareholders.

In the event that technical issues arise, Macquarie will have regard to the impact of the technical issues on shareholders participating and casting direct votes online, and the Chairman of the Meeting may, in exercising his powers as the Chairman, issue any instructions for resolving the issue and may continue the meeting if it is appropriate to do so.

10. Questions and comments by shareholders

At the meeting, shareholders will be provided with a reasonable opportunity to ask questions about or make comments on the business of the meeting, the management of the Company or about the Macquarie Group generally.

PricewaterhouseCoopers, Macquarie's external auditor, will attend the meeting and there will be an opportunity for shareholders to ask questions relevant to the audit.

Shareholders may also submit questions ahead of the meeting through the facility within the online proxy voting site by 10:30 am (AEST) Tuesday, 27 July 2021.



02

Explanatory Notes

Storegga, Shell St Fergus, United Kingdom

CGM has announced further investment in Storegga, a United Kingdom carbon reduction and removal company. The investment will help fund Storegga's Acorn Project and plans for a Direct Air Capture facility.

Explanatory Notes

Item 1 – Financial statements

As required by section 317 of the Corporations Act 2001 (Cth) (the Act), the Financial Report, Directors' Report and Auditor's Report of Macquarie Group Limited for the most recent financial year will be laid before the meeting. There will be no formal resolution put to the meeting.



The reports are available on Macquarie's website at macquarie.com/about/investors/reports

Items 2a, 2b, 2c and 2d – Election of Voting Directors

Rebecca McGrath and Mike Roche, having been appointed since the last Annual General Meeting, offer themselves for election under Article 9.8 of Macquarie's Constitution. In accordance with Macquarie's Fit and Proper Policy, prior to the Board appointing Ms McGrath and Mr Roche appropriate checks of their background and experience were undertaken.

Voting Directors Glenn Stevens and Peter Warne retire by rotation and offer themselves for re-election in accordance with Article 9.2 of Macquarie's Constitution.

A brief summary of their qualifications and experience is provided below.

Item 2a – Election of Ms RJ McGrath as a Voting Director

Rebecca J McGrath

BTP (Hons) (UNSW), MAppSc (ProjMgt) (RMIT), FAICD

Independent Voting Director since January 2021

(of Macquarie Bank since January 2021)

Member of the Board Governance and

Compliance Committee

Member of the Board Nominating Committee

Member of the Board Risk Committee

Experience

Rebecca McGrath is an experienced professional company director and board chair, with substantial international business experience. She spent 25 years at BP plc. where she held various executive positions, including Chief Financial Officer Australasia and served as a member of BP's Executive Management Board for Australia and New Zealand.

Ms McGrath has served as a director of CSR Limited, Big Sky Credit Union and Incitec Pivot Ltd, and as Chair of Kilfinan Australia. She is a former member of the JP Morgan Advisory Council. She has attended executive management programmes at Harvard Business School, Cambridge University and MIT in Boston.

Other current positions

Ms McGrath is Chair of Oz Minerals Limited and Scania Australia Pty Limited, and is a Non-Executive Director of Goodman Group, and Investa Wholesale Funds Management Limited.

She is the President of the Victorian Council of the Australian Institute of Company Directors and a member of the national Board. She is an Ambassador for Menzies School of Health Research and the National Association of Women

in Operations. She is also a member of the ASIC Corporate Governance Consultative Panel.

The Board considers that Ms McGrath's extensive experience in the energy and industrial sectors, and as a Non-Executive Director, will be of significant benefit to Macquarie.

Prior to submitting herself for election, Ms McGrath confirmed that she would continue to have sufficient time to properly fulfil her Director duties for Macquarie. In accordance with Macquarie's policy on independence for non-executive directors, the Board (with Ms McGrath abstaining) has determined that Ms McGrath remains independent.

The Board (with Ms McGrath abstaining) unanimously recommends that shareholders vote in favour of Ms McGrath's re-election as an Independent Voting Director.

Item 2b – Election of Mr M Roche as a Voting Director

Mike Roche

BSc (UQ), GAICD, FIA (London), FIAA

Independent Voting Director since January 2021

(of Macquarie Bank since January 2021)

Member of the Board Nominating Committee

Member of the Board Remuneration Committee

Member of the Board Risk Committee

Experience

Mike Roche has over 40 years' experience in the finance sector as a highly skilled and experienced provider of strategic, financial, mergers and acquisitions, and capital advice to major corporate, private equity and government clients. He held senior positions with AXA Australia as a qualified actuary and Capel Court/ANZ Capel Court.

Mr Roche spent more than 20 years at Deutsche Bank and was Head of Mergers and Acquisitions (Australia and New Zealand) for 10 years where he advised on major takeovers, acquisitions, privatisations, and divestments. He stepped down as Deutsche Bank's Chairman of Mergers and Acquisitions (Australia and New Zealand) in 2016. He was a member of the Takeovers Panel for two terms from 2008 to 2014.

Other current positions

Mr Roche is a Non-Executive Director of Wesfarmers Limited, Six Park Asset Management Pty Ltd, MaxCap Group Pty Ltd, and Te Pahau Management Limited, a Trustee Director of Energy Industries Superannuation Scheme Pty Limited and Managing Director of M R Advisory Pty Ltd.

He is a member of the ADARA Partners Corporate Advisory Wise Counsel Panel, a small business mentor for Many Rivers Microfinance Limited and co-founder, and a director, of the Sally Foundation.

Mr Roche's extensive experience as a corporate finance advisor and in structured finance will add valuable and relevant financial expertise to the Macquarie Board.

Prior to submitting himself for re-election, Mr Roche confirmed that he would continue to have sufficient time to properly fulfil his Director duties for Macquarie. In accordance with Macquarie's policy on independence for non-executive directors, the Board (with Mr Roche abstaining) has

determined that Mr Roche remains independent.

The Board (with Mr Roche abstaining) unanimously recommends that shareholders vote in favour of Mr Roche's election as an Independent Voting Director.

Item 2c – Re-election of Mr GR Stevens as a Voting Director retiring by rotation

Glenn R Stevens

BEc (Hons) (Sydney), MA (Econ) (UWO)

Independent Voting Director since November 2017

(of Macquarie Bank since November 2017)

Chairman of the Board Risk Committee

Member of the Board Audit Committee

Member of the Board Nominating Committee

Experience

Glenn Stevens worked at the highest levels of the Reserve Bank of Australia (RBA) for 20 years and, as well as developing Australia's successful inflation targeting framework for monetary policy, played a significant role in central banking internationally. Most recently, he was Governor of the Reserve Bank of Australia between 2006 and 2016.

Mr Stevens has also made key contributions to a number of Australian and international boards and committees, including as chair of the Australian Council of Financial Regulators between 2006 and 2016, as a member of the Financial Stability Board and on a range of G20 committees.

Other current positions

Mr Stevens is on the Investment Committee of NWQ Capital Management, and a board member of NSW Treasury Corporation. He is a Director of the Anika Foundation and the Lowy Institute, Deputy Chair of the Temora Aviation Museum and a volunteer pilot for Angel Flight.

The Board believes that Mr Stevens' extensive expertise in, and knowledge of, economic analysis and management and global economies, and his leadership and management experience from his time as Governor of the Reserve Bank of Australia, has been, and will continue to be, of great benefit to Macquarie.

Prior to submitting himself for re-election, Mr Stevens confirmed that he would continue to have sufficient time to properly fulfil his Director duties for Macquarie. In accordance with Macquarie's policy on independence for non-executive directors, the Board (with Mr Stevens abstaining) has determined that Mr Stevens remains independent.

The Board (with Mr Stevens abstaining) unanimously recommends that shareholders vote in favour of Mr Stevens' re-election as an Independent Voting Director.

Item 2d – Re-election of Mr PH Warne as a Voting Director retiring by rotation

Peter H Warne

BA (Macquarie), FAICD

Independent Chairman since 1 April 2016

Independent Voting Director since August 2007

(of Macquarie Bank since July 2007)

Chairman of the Board Nominating Committee

Member of the Board Remuneration Committee

Member of the Board Risk Committee

Experience

Peter Warne has extensive knowledge of, and experience in, financial services and investment banking, through a number of senior roles at Bankers Trust Australia Limited, including as Head of its global Financial Markets Group from 1988 to 1999. Mr Warne was a Director of the Sydney Futures Exchange (SFE) from 1990 to 1999, then from 2000 to 2006. He served as Deputy Chairman of the SFE from 1995 to 1999. When the SFE merged with the Australian Securities Exchange (ASX Limited) in July 2006, he became a Director of ASX Limited, a position he held to 2020. Mr Warne has previously served as Chairman of ALE Property Group from 2003 to 2017 and OzForex Group Limited (now trading as OFX Limited) from 2013 to 2016, and as a Director of New South Wales Treasury Corporation from 2012 to 2020, where he was Chairman from 2019 to 2020.

Other current positions

Mr Warne is a Board member of Allens, and a Member of the ASIC Corporate Governance Panel.

Mr Warne's extensive experience and knowledge of investment banking and the financial markets in which Macquarie operates has been of immense benefit to Macquarie, particularly in his recent roles as Chairman of Macquarie and of Macquarie Bank.

While Mr Warne's term as a Director has extended beyond the standard period, the Board believes it would be in the best interests of the Company for him to be re-elected by shareholders and remain as Chairman for a further year. This is primarily due to the level of change that the Macquarie Group has experienced over the last few years, particularly the last 12 months, including:

- Changes to the Board with three retirements from the Board since last year's Annual General Meeting, two new appointments and potential further Board renewal
- Significant changes in the operating environment over the last 12 months, particularly management changes in three of Macquarie's four operating groups, the COVID-19 pandemic impacts on the broader economy, our clients, communities and on the way staff work, and ongoing changes in the regulatory environment.

If re-elected, it is expected that Mr Warne will step down as Chairman of the Board and retire as a Director of Macquarie and Macquarie Bank following the completion of the 2022 MGL Annual General Meeting.

Prior to submitting himself for re-election, Mr Warne confirmed that he would continue to have sufficient time to properly fulfil his Director and Chairman duties for Macquarie. In accordance with Macquarie's policy on independence for non-executive directors, the Board (with Mr Warne abstaining) has determined that Mr Warne remains independent.

The Board (with Mr Warne abstaining) unanimously recommends that shareholders vote in favour of Mr Warne's re-election as an Independent Voting Director.

Explanatory Notes

Continued

Item 3 – Adoption of the Remuneration report

As required by section 250R(2) of the *Corporations Act 2001* (Cth) (the Act), a resolution that Macquarie's Remuneration Report be adopted will be put to the vote. Section 250R(3) of the Act provides that the vote on the resolution is advisory. The Remuneration Report is contained within the Directors' Report in Macquarie's 2021 Annual Report on pages 100 to 144. The letter from the Chair of the Board Remuneration Committee included in the Remuneration Report and an analysis that demonstrates Macquarie's results are aligned to remuneration outcomes for the year are reproduced below.

Letter from the Chair of the Board Remuneration Committee

On behalf of the Board, I am pleased to present the 2021 Remuneration Report and my first as Chair of the Board Remuneration Committee (BRC).

The financial year 2021 (FY2021) has seen challenging market conditions associated with the ongoing impact of the COVID-19 pandemic. Our customers, clients and the broader community have all been affected on various levels. Our focus has been on ensuring the health and well-being of our staff and their families, and supporting our clients and the broader community.

During this time and amid physical changes to the working environment, Macquarie's culture and long-term focus on building leadership capability and resilience in technology have provided a platform from which our staff have continued to respond to client needs. We appreciate the exceptional effort made by our staff during a very difficult year. Their response embodies Macquarie's purpose and core principles.

Macquarie has demonstrated great resilience against this challenging backdrop, and our purpose and culture have guided staff through these times. Our strong financial results and returns to shareholders in FY2021 reflect the diversity of our businesses and our ability to support our clients and adapt to a rapidly changing external environment.

- Net profit after tax (NPAT) is up 10% compared to FY2020
- Return on Equity (ROE) of 14.3% is stable compared to FY2020's 14.5%
- Earnings per share (EPS) of 842.9 cents per share is up 7% compared to the prior year.

Shareholders were impacted in FY2020 with a reduced dividend in line with regulatory expectations. The FY2021 full-year dividend is up 9% compared to the prior year.

Pay for performance

Our longstanding and consistent approach to remuneration has served us well and has been a key driver of our sustained success as an international organisation. Staff are rewarded based on their performance against a wide range of financial and non-financial considerations. This approach aligns the interests of staff and shareholders and allows us to deliver positive outcomes over the long-term for our customers, clients and the broader community. The Board believes that it is critical that Macquarie maintains its strong entrepreneurial culture that incentivises innovation and drives sustained success.

The Board is always mindful of the external focus on overall remuneration levels and spends considerable time each year determining remuneration outcomes for the CEO and Executive Key Management Personnel (KMP). We recognise the range of expectations and have made decisions that we believe take into consideration the perspectives of all stakeholders. This report has been prepared to provide transparency around the considerations informing our decisions.

On 1 April 2021, APRA announced actions required regarding MBL's risk management practices and ability to calculate and report key prudential ratios. APRA increased MBL's operational risk capital requirement and made adjustments to requirements for certain liquidity prudential ratios, effective from 1 April 2021. The actions relate to specific intra-group funding arrangements as well as breaches of APRA's reporting standards on liquidity between 2018 and 2020. APRA noted that the breaches are historical and do not impact the current overall soundness of Macquarie Group's capital and liquidity positions.

The Board acknowledges the seriousness of the APRA findings and has reflected this in its determination of remuneration outcomes. This has been through a reduction in the PSU allocations for Executive KMP and the imposition of additional qualifying conditions on the release of a portion of their retained profit share. The qualifying conditions relate to the timely and satisfactory remediation of the APRA findings

Remuneration outcomes

FY2021 remuneration outcomes reflect:

- this year's achievements against a range of financial and non-financial factors, some of which are discussed below
- the importance of our people and retaining key talent to encourage innovation and pursue growth opportunities
- an alignment to the outcomes delivered to shareholders
- risk management, compliance and conduct outcomes.

We have firstly considered the financial results of Macquarie overall as well as each Operating Group. Against a challenging backdrop, all Operating Groups have been profitable this year. These results reinforce the value of the diversification which we have built into each of our businesses.

In determining the CEO's remuneration, we have considered her strong leadership through the challenges of COVID-19. She has also advanced a process of reorganising Macquarie's

Operating Groups and renewing the Executive Committee, positioning the business for future opportunities.

We have also considered a number of factors, which the Board views as critical to Macquarie's ongoing success. These include cross-group collaboration, the continued focus on people and culture, the ongoing investment in technology, progress against Diversity and Inclusion (D&I) initiatives, risk management and Macquarie's response to COVID-19. Further details are set out on page 118 of the 2021 Macquarie Group Limited Annual Report.

The BRC receives extensive reporting on remuneration outcomes across Macquarie and, in addition to the CEO and Executive KMP, individually reviews and approves the remuneration of Banking Executive Accountability Regime (BEAR) Accountable Persons, staff who hold regulated roles, Designated Executive Directors⁽¹⁾ and other senior staff (generally direct reports of Executive KMP), and has reviewed overall total remuneration levels across each business to ensure appropriate distribution of remuneration across the organisation. The BRC has also considered the compensation expense to income ratio as a guide as to whether the share of profits distributed to staff and shareholders is reasonable.

After careful consideration of all these factors, we believe the following outcomes for the year are appropriate:

- CEO awarded profit share has increased 14% on the prior year to \$A19.85 million
- total Executive KMP awarded profit share is up 8% to \$A106.9 million
- reflecting the APRA findings, PSU allocations for Executive KMP have been reduced and additional qualifying conditions have been imposed on the release of a portion of their retained profit share
- in FY2020, in light of the economic uncertainty due to COVID-19, retention rates for the CEO and Executive KMP were increased to 100%. This year, they have been reset to levels more in line with 2019.

Culture, accountability and remuneration

Macquarie's evolution is driven by our people who are guided by our core principles of Opportunity, Accountability and Integrity. These principles remain pivotal to our culture and effectively guide our staff in balancing risk and reward and making decisions that realise opportunities for the benefit of our clients, our shareholders, our people and the communities in which we operate.

The BRC and the Board are able to assess Macquarie's culture in many ways, including through staff survey results, human capital reporting, risk culture reporting and strategy presentations, as well as through personal observation of management and staff behaviours and actions. The BRC coordinates with the Board Risk Committee (BRiC) and Board Governance and Compliance Committee (BGCC) to achieve an integrated approach to remuneration that reflects prudent and appropriate risk considerations.

The remuneration framework supports our principles by motivating staff to be innovative, to build businesses and to be accountable for their decisions, behaviours and their associated risk management, customer and reputational consequences.

Strong risk management is a fundamental part of everyone's role at Macquarie. Staff understand that they are rewarded for their performance, including their identification and management of risk. They also understand that there are consequences for non-compliance with Macquarie's behavioural expectations. Staff training and communications emphasise the link between risk, conduct, policy breaches and consequence management outcomes, including, where appropriate, adjustments to performance-based remuneration.

In FY2021, there were 97 (FY2020: 164) matters involving conduct or policy breaches (for example, *Code of Conduct*, appropriate workplace behaviour, risk management and technology breaches) that resulted in formal consequences including termination of employment or a downward adjustment to their profit share. The remote working environment was a key factor in the decline in the number of matters this year. For example, fewer in-person interactions contributed to a reduction in instances of conduct failing to meet appropriate workplace behaviour standards. Consistent with prior years, we have disclosed further details regarding these matters (refer to page 111 of the 2021 Macquarie Group Limited Annual Report).

Regulatory environment

During the year, APRA released the revised draft of the Prudential Standard CPS 511 Remuneration, which requires an increased focus on non-financial risks. We engaged with APRA during the year with regard to the proposed requirements and continue to participate in the consultation process, including on the recently released draft Prudential Practice Guide CPG 511 Remuneration. We support APRA's policy position and recognise that this is an evolving area as regulators and organisations seek to define and assess best practice.

I look forward to receiving your views and support at the 2021 Annual General Meeting.



Jillian Broadbent

Chair
Board Remuneration Committee

Sydney

7 May 2021

(1) Executive Directors who have a significant management or risk responsibility in the organisation.

Explanatory Notes

Continued

Comparison of performance measures and executive remuneration measures: FY2020–2021

The analysis below details Macquarie's results and demonstrates how these results are aligned to remuneration outcomes for the year.

	Expressed as	FY2021	FY2020	Increase/(Decrease) %
Performance measures				
NPAT	\$Am	3,015	2,731	10
Basic EPS	Cents per share	842.9	791.0	7
Ordinary Dividends	Cents per share	470.0	430.0	9
Return on equity	Percent	14.3	14.5	
Executive remuneration measures				
Total compensation expense	\$Am	5,190	5,001	4
Compensation expense to income ratio	Percent	40.6	40.6	
Average staff headcount ⁽²⁾		16,385	15,762	4
Actual staff headcount ⁽²⁾		16,459	15,849	4
CEO awarded profit share	\$Am	19.85	17.35	14
Current Executive KMP awarded profit share ⁽³⁾	\$Am	106.9	99.4	8
CEO Statutory Remuneration	\$Am	16.0	14.9	7
Total Executive KMP Statutory Remuneration	\$Am	122.4	105.8	16

Noting that each Voting Director has a personal interest in their own remuneration from Macquarie, as described in the Remuneration Report, the Board unanimously recommends that shareholders vote in favour of adopting the Remuneration Report.

Item 4 – Approval of Termination Benefits

Executive Summary

Macquarie's Board believes that Macquarie's longstanding and consistent approach to remuneration continues to support its remuneration objectives, including delivering strong company performance over the short and long-term, while prudently managing risk and reinforcing the *Code of Conduct* and the principles of *What We Stand For*.

On 27 July 2017, Macquarie shareholders most recently approved Macquarie giving termination benefits to departing staff consistent with Macquarie's remuneration framework and termination benefits arrangements (2017 Approval).

The proposed approval under Item 4 is only for the purposes of approving termination benefits. By passing Item 4, shareholders will reaffirm Macquarie's ongoing compliance with section 200B of the *Corporations Act 2001* (the Act) in the context of Macquarie's remuneration framework. This framework, which has remained largely unchanged since the 2017 Approval, emphasises a longer-term perspective over a multi-year timeframe through deferred equity-based retention and seeks to attract, motivate and retain exceptional people with deep industry expertise, while aligning their interests with shareholders to meet the needs of clients and customers while ensuring that regulatory requirements are upheld.

The Board considers it is in the interests of Macquarie and its shareholders to refresh the 2017 Approval at this time.

1. Termination benefits approval: Section 200B of the Corporations Act

The Act restricts companies from giving certain termination benefits to staff who hold a managerial or executive office in Macquarie without shareholder approval. This includes a person who is a director of any Macquarie entity or whose remuneration details are included in Macquarie's Remuneration Report, and includes any person who held such an office in the three years before they ceased to be a director of, or ceased employment with, any Macquarie Group entity (Relevant Executive).

Macquarie is a diversified financial group operating in 32 markets, providing clients with asset management and finance, banking, advisory and risk and capital solutions across debt, equity and commodities. Given Macquarie's longstanding approach is to appoint senior staff with knowledge of the specific business to the boards of subsidiary companies of Macquarie Group, it currently has over 700 executives who are Relevant Executives.

(2) Headcount for both FY2021 and FY2020 includes staff employed in operationally segregated subsidiaries (OSS).

(3) Represents the full year profit share awarded to the current Executive KMP population in both FY2021 and FY2020.

Under the termination benefits provision of the Act, termination benefits cannot be provided to Relevant Executives unless approved by shareholders, or an exception or exemption applies. Under the Act, termination benefits are defined to include a range of payments or benefits given in connection with a person ceasing to hold an office or position of employment including termination payments, the acceleration or automatic vesting of a share-based payment and entitlements at or due to retirement.

At Macquarie, the termination benefits requiring shareholder approval include:

- in certain circumstances, the release of remuneration in the form of:
 - deferred remuneration
 - Performance Share Units (PSUs)
 - other deferred awards
- other superannuation and forms of retirement savings
- other leave benefits
- payments in lieu of notice (in certain circumstances)
- redundancy payments (in certain jurisdictions).

The amount of any payment or value of any other benefit that may be given to a Relevant Executive in connection with the termination of their employment or retirement from office depends on a number of factors, not all of which are within Macquarie's control. These factors include amendments to potential benefits, set out in section 2 of these Explanatory Notes below, to address future changes to regulatory or legislative requirements. It is not possible to determine in advance the monetary value of the potential benefits that may be received by any particular executive at some point in the future. Section 2 of these Explanatory Notes for Item 4 below and, in particular, the table contained in that section, set out the manner in which the amount or value of the benefit will be calculated, and the matters, events and circumstances that will, or are likely to, affect the amount or value of a termination benefit paid to a Relevant Executive when they leave Macquarie.

Shareholder approval is sought under Item 4 to allow the provision of all benefits under Macquarie's remuneration framework which may be defined as termination benefits for the purposes of the termination benefits provisions of the Act and which are set out in these Explanatory Notes. The amount and value of the benefits for which shareholder approval is sought is the maximum potential benefit that could be provided to a Relevant Executive as set out in Section 2 below in connection with the person ceasing to hold an office or position of employment with Macquarie.

2. Termination benefits provided to Relevant Executives

Macquarie's longstanding and consistent approach to remuneration continues to support its remuneration objectives, including delivering strong company performance over the short and long-term, while prudently managing risk and reinforcing the *Code of Conduct* and the principles of *What We Stand For*. This is achieved in a number of ways, including by emphasising performance-based remuneration, determining an individual's variable remuneration based on a range of financial and non-financial factors, remunerating high-performing staff appropriately, relative to peers, and providing consistent arrangements over time to give staff the confidence to pursue multi-year initiatives. In addition, a significant portion of performance-based remuneration is:

- retained and deferred over a long period to enable risk outcomes to be considered
- delivered in a combination of Macquarie equity (via the Macquarie Group Employee Retained Equity Plan (MEREP)) and Macquarie-managed fund equity to ensure the interests of staff and shareholders are aligned over the long-term
- subject to forfeiture in certain circumstances.

These arrangements could potentially result in Relevant Executives receiving termination benefits on termination of employment with Macquarie entities. The shareholder approval sought will cover the benefits set out in the following table, which also describes the:

- circumstances in which these benefits may be provided
- manner in which the amount or value of the benefit is to be calculated
- matters, events and circumstances that will, or are likely to, affect the calculation of that amount or value.

Explanatory Notes

Continued

Key matters, events and circumstances affecting the calculation of the amount or value of the termination benefits provided to Relevant Executives

1. Deferred remuneration

1.1 A Relevant Executive's profit share allocation

One of the key foundations of Macquarie's remuneration structure is the emphasis on performance-based remuneration.

Remuneration outcomes are based on realised outcomes and are determined through a principles-based approach, taking into consideration all aspects of an individual's performance. Significant judgement is applied in determining remuneration outcomes to ensure that all factors that may potentially impact the quantum of profit share allocations are considered. Macquarie's approach to profit share allocations is driven by a detailed bottom-up assessment at both the business group and individual level. Outcomes may be adjusted downwards at any level as a result of any risk management, compliance and conduct issues that have come to light during the year.

Individual profit share allocations reflect an employee's performance. Employees are assessed against the following areas:

Financial results

- business profits and individual contribution to profits for front office staff
- primarily based on contribution to high quality control functions for risk and financial control roles
- for other support staff, based on their contribution to delivering high quality services to support the businesses

Risk management and compliance

- the active management and consideration of a wide range of financial and non-financial risks
- motivates a culture of disciplined risk management, and regulatory, policy and business compliance

Business leadership (including customer and community outcomes)

- business growth and innovation
- delivering solutions for our customers and the communities in which we operate

People leadership and professional conduct

- alignment to Macquarie's purpose and culture
- conduct and behaviour consistent with the *Code of Conduct* and *What We Stand For*
- fostering a diverse and inclusive work environment
- talent development

Individual profit share allocations also consider relativities in the market in which each business competes for talent.

Business group profit share pools:

- for Operating Groups, reflect consideration of
 - each business' contribution to company-wide profits
 - each business' capital, funding and liquidity requirements and usage
 - other factors such as the quality of the income, whether the business is highly regulated or not, the maturity of the business, and the reliance on intellectual capital versus financial capital
- for Central Service Groups, is based on the quality and integrity of control functions and support services; not primarily determined with reference to profitability
- consider the risk profile of each business including consideration of any significant reputational, cultural or compliance matters
- also consider overall remuneration levels in the market in which each business operates.

For the Managing Director and Chief Executive Officer and other Executive Committee members, refer to pages 117, 118 and 120-128 of the 2021 Macquarie Group Limited Annual Report for further performance criteria considered.

The company-wide profit share pool is an aggregate of the bottom-up assessment conducted at both the business and individual level. The profit share pool is then assessed for overall reasonableness, including consideration of an internal reference based on Macquarie's after-tax profits and its earnings over and above the estimated cost of capital and also the resultant compensation expense to income ratio and how it compares to that of peers.

The Board retains discretion to amend the profit share pool determined in accordance with the bottom-up assessment to ensure that all relevant factors, including risk and conduct matters, have been appropriately taken into consideration. The CFO confirms that the profit share pool can be supported by Macquarie's capital position and does not limit Macquarie's ability to further strengthen its capital base in the future.

Key matters, events and circumstances affecting the calculation of the amount or value of the termination benefits provided to Relevant Executives

1. Deferred remuneration

1.2 The amount of profit share retained for a Relevant Executive

Retention affects the value of deferred remuneration that a Relevant Executive may receive on termination.

For Relevant Executives who are Executive Directors, this is generally within the range of 40 – 80% and for Relevant Executives who are not Executive Directors, this is generally within the range of 25 – 70% (above specific monetary thresholds), depending on their role. However, retention can be higher in certain exceptional circumstances. For example, in 2020, due to the impact of COVID-19 on the global economy, our communities and shareholders, as well as in consideration of the expectations of governments and regulators that capital be available to support the economy, the Board agreed to set retention levels at 100% for the CEO and other Executive KMP.

The Board or the Board Remuneration Committee (BRC) has discretion to change the percentage of profit share allocations retained on an annual basis according to prevailing market conditions, remuneration trends, and compliance with regulatory requirements and corporate governance developments, provided that the retention percentage is at least 30% for Executive Directors. For each year's allocation, once the retention rate has been determined it remains fixed for that allocation.

Differing retention levels may also vary for certain groups of staff who have become employees as a result of an acquisition, where remuneration arrangements are entered into as part of a transition and/or integration process, or for staff in certain jurisdictions, for example the UK and European Union (EU), to ensure compliance with local regulatory requirements.

Macquarie's standard retention rates will continue to be disclosed each year in Macquarie's Remuneration Report.

1.3 Vesting and release period

The length of vesting and the timing of release affects the value of deferred unvested remuneration that a Relevant Executive may receive on termination.

Retained profit share vests and is released over a period that reflects the scope and nature of a Relevant Executive's role and responsibilities. For Relevant Executives who are Executive Directors, vesting and release periods are typically within the range of 3-7 years, and for Relevant Executives who are not Executive Directors, vesting and release periods are typically within the range of 2-4 years. However, the vesting and release periods may be shorter or longer in response to local regulatory or legislative requirements. Differing vesting and release periods may also occur for certain groups of staff who have become employees as the result of an acquisition, where remuneration arrangements are entered into as part of a transition and/or integration process, or for staff in certain jurisdictions to ensure compliance with local regulatory requirements. Where an investigation has commenced into a risk or conduct-related matter that may result in forfeiture or, for senior employees, the application of Malus (refer to 1.7 below), Macquarie may further defer the payment, vesting and/or release of profit share to allow for the investigation to be completed.

The Board or the BRC has discretion to change the vesting and release period on an annual basis according to prevailing market conditions, remuneration trends, and compliance with regulatory requirements and corporate governance developments. For each year's allocation, once the vesting and release period has been determined, it remains fixed for that allocation.

The applicable standard vesting and release period will continue to be disclosed each year in Macquarie's Remuneration Report.

1.4 Where retained profit share is invested

The allocation of retained profit share is a function of the Relevant Executive's role, responsibilities and level, as well as historical arrangements including acquisitions. Retained profit share is invested, either directly or notionally, in Macquarie equity or Macquarie-managed funds or in subsidiaries, in the case of acquired businesses. Retained profit share may be invested in varying proportions in a combination of these forms.

In limited circumstances, retained profit share may be allocated under arrangements, either directly or notionally, other than Macquarie-managed fund equity or in Macquarie equity via the MEREP⁽⁴⁾. An example may include investment in funds or products of a specific business group where there is a need to directly align the interests of staff with those of their clients.

The BRC has discretion to review the percentage allocated to Macquarie-managed fund equity and the MEREP on an annual basis to reflect a Relevant Executive's responsibilities.

The standard percentages allocated to the MEREP and Macquarie-managed fund equity for Executive Directors will continue to be disclosed each year in Macquarie's Remuneration Report.

(4) Macquarie Group Employee Retained Equity Plan.

Explanatory Notes

Continued

Key matters, events and circumstances affecting the calculation of the amount or value of the termination benefits provided to Relevant Executives

1. Deferred remuneration

1.5 Change in value of the invested profit share

A change in the value of the invested profit share can be caused by:

- an increase or decrease in the value of the equity or underlying equity, Macquarie-managed funds or other investment into which retained profit share has been invested
- returns on that equity or other investments including dividends and capital returns where applicable.

1.6 Number of years the Relevant Executive has participated in the profit share scheme

The number of years that the Relevant Executive has participated in the profit share scheme impacts the quantum of unvested profit share.

1.7 Application of Malus and other provisions (if applicable)

Malus Events

Certain senior employees, some of whom are Relevant Executives are subject to Malus. For such Relevant Executives, the Board or its delegate has the ability to reduce or eliminate in full, retained profit share if it determines that they have at any time:

- acted dishonestly (including, but not limited to, misappropriating funds or deliberately concealing a transaction)
- acted or failed to act in a way that contributed to:
 - a breach of a significant legal or significant regulatory requirement relevant to Macquarie
 - Macquarie or Macquarie Bank making a material financial restatement
 - Macquarie, Macquarie Bank or any Operating or Central Service Group within Macquarie incurring:
 - significant reputational harm
 - a significant unexpected financial loss, impairment charge, cost or provision.

(each of the above is a Malus Event)

Additional provisions may apply to staff in certain jurisdictions to ensure compliance with local regulations. This includes, for example:

- provisions applicable where an Accountable Person fails to comply with their accountability obligations under the BEAR, which may result in consequences being applied in accordance with Macquarie's policies, including the application of Malus;
- additional Malus and clawback provisions to which staff in the UK and EU are subject under local regulatory requirements.

The specific Malus terms are periodically reviewed by the BRC and may be amended as considered appropriate. The Board also retains discretion to impose additional conditions on the vesting and/or release of retained profit share as it considers appropriate in certain circumstances. Macquarie's standard Malus terms will continue to be disclosed in the Remuneration Report each year.

1.8 Circumstances in which a termination benefit may be provided

The standard policy is that staff who cease employment with Macquarie will forfeit their unvested retained profit share. The Board, or its delegate, may exercise discretion to accelerate or allow the ongoing vesting of a Relevant Executive's retained profit share and release it, in whole or in part on or following termination of employment. This discretion may be exercised in the case of retirement from Macquarie, redundancy, death, serious incapacitation, disability, serious ill-health or limited exceptional circumstances, and in the case of Executive Directors, subject to the conditions of early release as set out below.

Limited exceptional circumstances may relate to business efficacy, strategic business objectives, including in connection with the divestment or internalisation of Macquarie businesses, or when a Relevant Executive resigns to fulfil a public service role in a governmental organisation or agency.

In all cases where such discretion is exercised, the Board or its delegate may impose such other conditions as it considers appropriate.

Key matters, events and circumstances affecting the calculation of the amount or value of the termination benefits provided to Relevant Executives

1. Deferred remuneration

1.8 Circumstances in which a termination benefit may be provided (continued)

Conditions of early release of retained profit share to departing Executive Directors – Post Employment Events

Where discretion is exercised to accelerate the vesting of retained profit share for any departing Executive Director, the Board or its delegate may reduce or eliminate in full the retained profit share, if it determines that the Executive Director has at any time during their employment or the relevant release periods after their employment committed a Malus Event (as described above) or:

- taken staff to a competitor of Macquarie or been instrumental in causing staff to go to a competitor; or
- joined a competitor of Macquarie or otherwise participated in a business that competes with Macquarie

(each of the above is a Post Employment Event).

In the case of death or serious incapacitation, the Board or its delegate will typically accelerate the vesting of retained profit share and immediately release it to the Relevant Executive, or to the Relevant Executive's legal personal representative. In other circumstances, subject to local regulatory requirements, the release will occur over the period from six months to two years after the Executive Director leaves, in accordance with the table set out below:

	First period	Second period	Third period
Time post departure	6 months	6 months – 1 year	1 year – 2 years
Unvested retained profit share released	From all but the last two years of employment	From the second year prior to the end of employment	From the year prior to the end of employment
Retained profit share release subject to Malus and Post Employment Events (other than where the release is by reason of retirement from Macquarie)	No Malus Event or Post Employment Event	No Malus Event or Post Employment Event during First Period and no Malus Event or Post Employment Event a) during the Second Period	No Malus Event or Post Employment Event during First Period and no Malus Event or Post Employment Event a) during the Second Period and no Malus Event during the Third Period.
Retained profit share release subject to Malus and Post Employment Events where the release is by reason of retirement from Macquarie	As above	As above and in addition, the release is subject to no Post Employment Event b) during the Second Period	As above and in addition, the release is subject to no Post Employment Event b) during the Second or Third Period

Where a Relevant Executive has a tax liability on termination of employment in respect of any unvested retained profit share, the Relevant Executive may receive unvested retained profit share up to an amount equal to the Relevant Executive's tax liability at an earlier time than noted above.

In addition, for Accountable Persons, the exercise of discretion for any early release of retained profit share will be subject to Macquarie meeting the minimum deferral periods required under the BEAR.

The Board may also exercise its discretion to increase the period of time over which retention is released to extend beyond the time noted above in consideration of prevailing market conditions, remuneration trends, and/or compliance with regulatory requirements and corporate governance developments.

These provisions are subject to periodic review by the Board. Any changes will be disclosed in the Remuneration Report each year.

Explanatory Notes

Continued

Key matters, events and circumstances affecting the calculation of the amount or value of the termination benefits provided to Relevant Executives

1. Deferred remuneration

1.9 Other deferred remuneration

A small number of individuals with funds responsibilities may receive a portion of their performance-based remuneration as a share of performance fees paid by certain Macquarie-managed funds. The company-wide profit share pool is adjusted downwards to reflect these deferred remuneration arrangements which are also taken into account in determining the individual's profit share allocation.

Consistent with market practice these individuals are allocated an entitlement to a share of performance fees paid by a particular fund. This allocation is based on performance, seniority and the extent of their involvement with the particular fund. An individual will not receive their entitlement until Macquarie has received performance fees towards the end of the fund's life, which is typically upwards of 10 years. The entitlement will be forfeited if their employment ceases before five years from the date of allocation. Entitlements are subject to similar forfeiture conditions as profit share. Additionally, an individual will forfeit their entitlement to receive any such payments if at any time the Board determines that a Malus Event, as set out above under 1.7 has occurred, or if the individual's employment terminates, unless in the case of death, serious incapacitation, retirement from Macquarie, redundancy, disability or serious ill health. The Board or its delegate has discretion to permit a departing individual, who is departing at least five years after the date of allocation, to retain all or some of any entitlement they would otherwise forfeit in limited exceptional circumstances consistent with 1.8 above.

Where a departing individual retains their entitlement, they will receive a share of performance fees paid proportional to the period from when they became a participant to the end of their employment relative to the period from final close of the fund to the date the performance fee is paid, up to a maximum of 80% of what they would have been entitled to had their employment not ceased.

2. Performance Share Units (PSUs) (applicable only to Executive Committee members)

2.1 The overall PSU pool

The Board approves the overall value of PSUs to be allocated to Executive Committee members each year. The aggregate value of PSUs to be allocated is determined with reference to profits over recent years. The Board retains discretion to determine the final PSU pool taking into consideration both financial and non-financial factors, including the risk profile of Macquarie.

2.2 The Relevant Executive's performance

PSUs are allocated to individuals based on their role as members of the Executive Committee and their contribution to driving the collective performance of Macquarie, including their collaboration across businesses. The awards are subject to forward-looking performance hurdles and determined with reference to Macquarie's performance as a whole. As such, they provide an additional incentive to Executive Committee members to drive company-wide performance over the long-term and beyond their business group responsibilities.

2.3 Number of PSUs awarded

The number of PSUs to be allocated will be calculated by dividing the face value of the PSU award by the price of Macquarie shares on or around the date of grant. Holders have no right to dividend equivalent payments. Further detail is provided in Appendix 4 of Macquarie's Remuneration Report.

Prior to 2021, the number of PSUs to be allocated was calculated by dividing the fair value of the PSU award by the fair value of a PSU. The fair value was determined using a Monte-Carlo option pricing framework, designed to take account of trading restrictions, the fact that PSUs do not receive dividends and the vesting performance hurdles and timeframes.

The details of PSU awards will continue to be disclosed each year in Macquarie's Remuneration Report.

2.4 Exercisability of PSUs

As set out in Appendix A of these Explanatory Notes, PSUs may only be exercised subject to two performance hurdles being met, each applying individually to 50% of the total number of each tranche of PSUs awarded. Under both performance hurdles, the hurdle is examined once only. Testing occurs annually on 30 June immediately before vesting on 1 July, based on the most recent financial year end results available. PSUs that do not meet performance hurdles expire.

The hurdles, including the reference group, are regularly reviewed by the BRC to ensure they continue to align the interests of staff and shareholders and provide a challenging but meaningful incentive to Executive Committee members. The Board or the BRC has discretion to change the performance hurdles in consideration of historical and forecast market data, the views of corporate governance bodies, shareholders and regulators, as well as market practice.

PSU hurdles will continue to be disclosed in each year's Remuneration Report.

Key matters, events and circumstances affecting the calculation of the amount or value of the termination benefits provided to Relevant Executives
2. Performance Share Units (PSUs) (applicable only to Executive Committee members)

2.5 Vesting period	PSUs awarded from 2020 vest after four years. PSUs awarded in 2019 and earlier vest in two equal tranches after three and after four years. The Board or the BRC has discretion to change the vesting period on an annual basis in consideration of the views of corporate governance bodies, shareholders and regulators, as well as market practice. For each year's allocation, once the vesting period has been determined it remains fixed for that allocation, subject to 2.7 below. The applicable vesting period will continue to be disclosed each year in Macquarie's Remuneration Report.
2.6 Application of Malus (if applicable)	The Board or the BRC has discretion to determine that some or all unvested PSUs awarded in respect of 2018 and onwards expire if it determines that a Malus Event, as set out above under 1.7 has occurred.
2.7 Change in the underlying value of shares	Share price appreciation or depreciation affects the value of the PSUs upon vesting.
2.8 Circumstances of leaving Macquarie	To ensure continued alignment with shareholders post termination, in the case of retirement from Macquarie, redundancy, death, serious incapacitation, disability, serious ill-health or limited exceptional circumstances, the Board or the BRC has the authority to either accelerate the vesting of PSUs or to permit the PSUs to continue to vest in accordance with the original award schedule and remain subject to the same performance hurdles. Unless one of the early release circumstances applies, unvested PSUs will be forfeited on termination.

3. Other deferred awards

3.1 Promotion awards	Relevant Executives who are promoted to Associate Director, Division Director or Executive Director receive an allocation of MEREP awards, based on seniority set with reference to an Australian dollar value. Currently these awards range from \$25,000 to \$175,000 depending on the promotion level. The BRC has discretion to change the quantum of awards on an annual basis. These awards vest on a pro-rata basis over two, three and four years. In the case of retirement from Macquarie, redundancy, death, serious incapacitation, disability, serious ill-health or other limited exceptional circumstances, the Board or its delegate has discretion to accelerate the vesting of some or all of these awards and immediately release them to the Relevant Executive, subject to local regulatory requirements. In all cases where the discretion is exercised, the Board or its delegate may impose such other conditions as it considers appropriate.
3.2 New hire and other awards	Relevant Executives who join Macquarie as Director level staff generally receive an allocation of MEREP awards as set out above under 3.1. Relevant Executives may receive an additional or alternative equity grant when they join Macquarie. This may be, for example, to compensate for the value of deferred remuneration from their previous employer that they have forfeited upon joining Macquarie. Typically, these awards would be structured to mirror the terms of the deferred remuneration that has been forfeited, including the period over which the award or grant will vest and be released, subject to local regulatory requirements. Awards may also be granted as part of an acquisition. Occasionally, equity awards may be granted to retain staff, subject to local regulatory requirements. This may be, for example, to retain key staff in a business which is being wound-down or sold. Typically, these awards are structured to reflect the expected time frame over which the business is being wound-down or sold. The Board or its delegate has discretion to accelerate these new hire and other awards in the same circumstances and in the same way as set out above under 3.1.

Explanatory Notes

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Key matters, events and circumstances affecting the calculation of the amount or value of the termination benefits provided to Relevant Executives

4. Superannuation and other forms of retirement savings

4.1 The applicable minimum statutory contributions or established market practices, which may change over time

In Australia, Macquarie makes the compulsory superannuation contributions required by law (currently 9.5% (10% effective from 1 July 2021) - subject to the maximum contribution base which is indexed annually) on behalf of staff including Relevant Executives. Currently, Macquarie does not contribute more than the statutory amount as an employer superannuation contribution, although executives may choose to salary sacrifice additional employee contributions.

4.2 The Relevant Executive's total remuneration over time

Outside Australia, Macquarie employs staff in a number of countries with statutory requirements for employers and/or employees to make contributions to superannuation or other forms of retirement savings. Macquarie complies with these obligations and may also facilitate employee contributions through salary sacrifice or other means. In other jurisdictions, there are established market practices for providing employer contributions to superannuation or other forms of retirement savings which may exceed the minimum statutory requirement or where there is no statutory requirement. Macquarie's approach is to follow reasonable market practices in these jurisdictions.

4.3 Any earnings and capital gain or loss, on contributions by Macquarie

4.4 The Relevant Executive's years of service

The value of a Relevant Executive's benefits from such arrangements will be equal to the contributions made by Macquarie to the relevant superannuation fund or other arrangement over the period of employment together with any earnings and capital growth or loss. The value of these benefits may also be a function of the terms of the particular scheme, years of service and salary upon termination of employment.

5. Other leave benefits

5.1 The applicable statutory accruals or established market practices, which may change over time

In Australia, Macquarie accrues annual leave for Relevant Executives over time as required by law. Outside Australia, Macquarie employs staff in a number of countries where local statutory requirements also require accruals for annual, holiday or vacation leave and Macquarie complies with these obligations. In other jurisdictions, there are established market practices for such leave accruals which may exceed the minimum statutory requirement and Macquarie's approach is to follow reasonable market practices in these jurisdictions. Depending on the statutory requirements and market practice of each jurisdiction, any such accrued but untaken leave benefit may become payable on termination of employment.

5.2 The Relevant Executive's salary upon termination of employment

5.3 The Relevant Executive's length of service

6. Payments in lieu of notice (in certain circumstances)

6.1 The Relevant Executive's remuneration at the time of termination, or in some cases, the period leading up to the time of termination

Relevant Executives have employment agreements which include notice periods. The majority of Relevant Executives have a contractual notice period of four weeks. Some Relevant Executives have notice periods that are aligned to local legislation or to country and regional markets and are other than four weeks or greater than the relevant legislative minimum.

6.2 The length of the notice period for which payment is being made

If the Relevant Executive serves their notice period, they will receive wages and accrued benefits which will be calculated up to that Relevant Executive's actual termination date, none of which will be a termination benefit.

6.3 Whether Macquarie's operational requirements at the time require the Relevant Executive to work through part or all of their notice period

However, there are circumstances where Macquarie may determine that it is more commercially appropriate to terminate the employment of a Relevant Executive and make a payment in lieu of the remuneration that the Relevant Executive would have received for the balance of their relevant notice period or is entitled to receive under their contractual notice provision. This discretion exists both under Macquarie's employment arrangements and under employment law generally and is common practice.

If a payment is made in lieu of notice to a Relevant Executive, that payment is a termination benefit within the meaning of the Act. The amount of any such payments can only be determined once notice is given. The Board considers that having this flexibility is an important part of conducting its business.

Key matters, events and circumstances affecting the calculation of the amount or value of the termination benefits provided to Relevant Executives

7. Redundancy terms (in certain jurisdictions)

7.1 The applicable minimum statutory or contractual redundancy entitlements or established market practices, which may change over time

In most cases, redundancy payments to Relevant Executives are exempt from the termination benefit restrictions in the Act.

Macquarie's approach is to align its redundancy policies in each jurisdiction with market practice in that place or, where required, with local law. In most cases, redundancy payments are a pro-rata amount based on the number of years of service and current base pay. In other cases, the amount may be based on a set number of months' base remuneration in addition to a pro-rata amount. In some jurisdictions, Macquarie has full discretion as to the amount, if any, of redundancy payments whereas in other jurisdictions Macquarie's discretion is more limited.

7.2 The Relevant Executive's fixed remuneration over time

The relevant termination benefits exemption in the Act applies to a reasonable payment made in accordance with Macquarie's redundancy policy as a result of a genuine redundancy, having regard to the length of a person's service with Macquarie. The approval sought under Item 4 will operate where the redundancy payment is not covered by this exemption, for example, where the payment is not made under Macquarie's standard redundancy policy for the relevant jurisdiction.

7.3 The number of years the Relevant Executive has worked with Macquarie

Other Information

A summary of the key features of Macquarie's current remuneration framework is set out in the Explanatory Notes on Item 3 and described in more detail in the 2021 Remuneration Report. This includes specific information on the way Macquarie's remuneration framework operates, the amount of profit share retained, how retained profit share is invested and the forfeiture and vesting rules. Macquarie's 2021 Annual Report, which includes the Remuneration Report, is available online at www.macquarie.com

Shareholders should anticipate that aspects of Macquarie's remuneration arrangements, including Relevant Executives' deferred remuneration arrangements, will be amended from time to time, in line with market practice and changing regulatory and governance standards as well as legal requirements. These changes will be reported in Macquarie's future Remuneration Reports.

Consequences of approval not being obtained

If the approval sought under Item 4 is not obtained, Macquarie will continue operating under the 2017 Approval. However, this could in future constrain Macquarie's ability to comply with, or adapt to, emerging market, regulatory and legislative developments. This might create uncertainty for staff and impact Macquarie's ability to attract and retain high quality people.

The Non-Executive Voting Directors of the Board unanimously recommend that shareholders approve Item 4 in the Notice of Meeting. Shemara Wikramanayake, being the Managing Director and Chief Executive Officer, has a material personal interest in the item and, therefore, has abstained from providing a recommendation.

Item 5 – Approval of Managing Director's participation in the Macquarie Group Employee Retained Equity Plan (MEREP)

The approval of shareholders is sought to permit Shemara Wikramanayake, Macquarie's Managing Director and Chief Executive Officer (Managing Director), to participate this year, with other executives in the MEREP.

Background

This approval is being sought under ASX Listing Rule 10.14, which provides that a listed company may only permit a director of the company to acquire newly issued shares or rights to shares under an employee incentive scheme where that director's participation has been approved by an ordinary resolution of shareholders.

The Managing Director is eligible to receive certain awards under the MEREP, which is administered by the Board. The MEREP rules provide flexibility to allow the use of newly awarded or existing shares (for example through purchase on-market) to satisfy awards under the MEREP. The Board may also engage third party share managers to assist with the administration of the MEREP. Further details of the MEREP are set out in Note 32 of the Financial Statements in Macquarie's 2021 Annual Report.

The Managing Director is eligible to receive Restricted Share Units (RSUs) under the MEREP, subject to shareholder approval of this Item 5. The ordinary MGL shares required for this grant are expected to be issued by MGL to the trust established to hold shares for MEREP purposes.

The Managing Director is also eligible to receive Performance Share Units (PSUs) that are exercisable into Macquarie shares subject to performance hurdles. Shareholder approval under ASX Listing Rule 10.14 is being sought so that PSUs may be issued to the Managing Director under the MEREP. Further information on PSUs and the performance hurdles can be found in Appendix A to these Explanatory Notes.

Details of the RSUs and PSUs issued to the Managing Director under the MEREP will be published in the annual report of MGL relating to the period in which they were issued, along

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with a statement that approval for the issue was obtained under Listing ASX Rule 10.14. Any additional persons covered by ASX Listing Rule 10.14 who become entitled to participate in an issue of securities under the MEREP after shareholder approval of this Item 5 in the Notice of Meeting and who were not named in this Notice of Meeting will not participate until approval is obtained under ASX Listing Rule 10.14.

Restricted Share Units

Approval is sought to allocate \$14.30 million of the Managing Director's profit share under the MEREP, in the form of RSUs.

A RSU is a beneficial interest in a MGL ordinary share held on behalf of a MEREP participant by the plan trustee and is used to deliver the retained portion of the Managing Director's profit share allocation. Macquarie uses equity awards such as RSUs to strengthen alignment between executives and ordinary shareholders. RSUs provide the executives with the full benefits of share ownership (such as dividend and voting rights).

The RSUs for which approval is sought will vest over seven years. Additional qualifying conditions have also been imposed by the Board on the vesting and release of a portion of these RSUs related to actions announced by APRA regarding MBL's risk management practices and ability to calculate and report key prudential ratios. The qualifying conditions relate to the timely and satisfactory remediation of the APRA findings. In all other respects, the RSUs will be subject to the same terms and conditions as RSUs awarded to other Macquarie Executive Directors with retained profit share allocated under the MEREP. Macquarie's 2021 Remuneration Report includes a summary of these terms and conditions, including in relation to forfeiture, malus events and early vesting and release (which are set out on page 107 of the Remuneration Report).

The number of RSUs that will be allocated to the Managing Director has been determined by dividing her retained profit share amount to be invested in Macquarie shares (\$14.30 million) (Retained Amount) by the volume weighted average price (VWAP) at which Macquarie shares were issued for the allocation of MEREP awards to all staff with retained profit share for the financial year ended 31 March 2021 (Acquisition Price).

For 2021, all the required Macquarie shares will be issued at the average of the daily volume weighted average price of Macquarie shares traded on the ASX over the period (Pricing Period) from 24 May 2021 to 4 June 2021, being \$151.73 per share. Hence, the proposed allocation to the Managing Director will be 94,193 RSUs.

Performance Share Units

Approval is sought to allocate Ms Wikramanayake \$3.20 million worth of PSUs vesting after four years from the deemed vesting commencement date (1 July 2021).

Executive Committee members, including the Managing Director, are the only group of staff eligible to receive PSUs, which are subject to forward-looking performance hurdles and determined with reference to Macquarie's performance as a whole. As such, they provide an additional incentive to executives to drive company-wide performance over the

long term and beyond their business group responsibilities, Macquarie uses equity awards such as PSUs to strengthen alignment between executives and ordinary shareholders. PSUs do not provide the executives with the full benefits of share ownership (such as dividend and voting rights) unless and until the PSUs vest and are exercised.

To ensure continued alignment with shareholders post termination, in cases of retirement from Macquarie, PSUs continue to vest in accordance with the vesting schedule and remain subject to the same performance hurdles. The Board or its delegate has the authority to accelerate the vesting of, or to forfeit, PSUs when the Managing Director leaves Macquarie. The Managing Director's PSUs will be structured as Deferred Share Units (DSUs) which are subject to the performance hurdles described in Appendix A to these Explanatory Notes. On exercise of the DSUs the Managing Director has a right to receive a share held in the MEREP Trust (Trust) for no cash payment, subject to the vesting and forfeiture provisions of the MEREP.

The number of PSUs that will be allocated to the Managing Director will be calculated by dividing \$3.20 million by the price of Macquarie shares on or around the date of grant. The face value of PSUs that may be acquired by the Managing Director is \$3.20 million. The determination of the number of PSUs to be allocated will be deferred until after shareholder approval is received. The market price of Macquarie shares for the purpose of this calculation will be the closing market price preceding the date of grant, which is expected to be on or around 3 August 2021.

Prior to 2021, the number of PSUs to be allocated was calculated by dividing the fair value of the PSU award by the fair value of a PSU. The fair value was determined using a Monte-Carlo option pricing framework, designed to take account of trading restrictions, the fact that PSUs do not receive dividends and the vesting performance hurdles and timeframes.

The table below provides an estimate of the number of PSUs to be granted at varying prices for ordinary MGL shares (also referred to as 'Macquarie shares').

Macquarie Share Price	Value of PSU Award (\$000s)	Estimated number of PSUs to be granted
\$145	\$3,200	22,068
\$150	\$3,200	21,333
\$155	\$3,200	20,645
\$160	\$3,200	20,000

The value of any Macquarie shares that may be received by the Managing Director at a future date as a result of this allocation of PSUs will depend on factors including the extent to which the performance hurdles are achieved and the future price of Macquarie shares when any of these awards become exercisable. Further details regarding PSUs are set out on pages 108 to 109 and page 129 of the Remuneration Report.

Managing Director's remuneration

Full details of the Managing Director's awarded remuneration in respect of the 2021 financial year are shown in the Remuneration Report (pages 120 and 129). This comprised:

- Fixed remuneration of approximately \$0.82 million
- Available profit share of approximately \$3.97 million
- Retained profit share of approximately \$15.88 million, of which 90% (\$14.30 million) is being delivered as RSUs under the MEREP
- Performance Share Units of approximately \$3.20 million.

Remuneration for the current financial year ending 31 March 2022 will also consist of fixed remuneration, profit share and Performance Share Units. Fixed remuneration remains consistent and the allocation of profit share and PSUs will be determined by the Board following the end of the financial year. The amount of profit share that may be awarded to the Managing Director for FY2022 is dependent on a number of factors, as set out on pages 117 to 118 of the Remuneration Report, including the financial performance of Macquarie, business and people leadership, both financial and non-financial risks, including conduct matters and outcomes for our clients and customers.

Maximum number of RSUs and PSUs

The maximum number of RSUs for which approval is sought will be 94,193. The maximum number of PSUs that may be acquired by the Managing Director for which shareholder approval is sought will be calculated by dividing \$3.20 million by the price of Macquarie shares on or around the date of grant, as described above.

Price payable on grant of RSUs

The Managing Director will not make any cash payment for the RSUs for which shareholder approval is sought. However, the aggregate allocation value of the RSUs to be granted to the Managing Director is approximately \$14.30 million, being Ms Wikramanayake's Retained Amount.

Price payable on grant of PSUs

The Managing Director will not make any cash payment for the PSUs for which shareholder approval is sought. However, the face value of the PSUs will be \$3.20 million, with the PSUs being an incentive mechanism for future performance that can only be exercised subject to satisfaction of the performance hurdles described in Appendix A to these Explanatory Notes.

Previous issues to Managing Director

The Managing Director is the only person referred to in ASX Listing Rule 10.14 entitled to participate in the MEREP. Since being appointed as Managing Director, Ms Wikramanayake has been issued 204,269 RSUs and 66,773 PSUs. RSUs were granted at allocation prices ranging from \$112.15 to \$122.37 per RSU and no cash payment was made by Ms Wikramanayake for the RSUs and PSUs previously issued under the MEREP. Further details of the RSUs and PSUs previously issued to Ms Wikramanayake under the MEREP are set out on pages 139 to 142 of the Remuneration Report.

Terms of any loan relating to the acquisition of shares

No loan is being provided to the Managing Director in relation to the acquisition of shares under the MEREP.

Date by which grants will be made

The proposed grants of RSUs and PSUs to the Managing Director are expected to be made on or around 3 August 2021 but not later than 30 September 2021, subject to shareholder approval of this Item 5 in the Notice of Meeting.

Consequences if approval not obtained

If shareholders do not approve the proposed issue of RSUs and PSUs to the Managing Director under Item 5, the proposed grant of RSUs and issue of PSUs to her will not proceed. This may impact Macquarie's ability to incentivise the Managing Director and align her interests with those of shareholders and with the remuneration arrangements of the other Executive Directors. The Board will need to consider alternative remuneration arrangements, which may not be consistent with Macquarie's remuneration principles, including a cash payment.

The Non-Executive Directors of the Board unanimously recommend that shareholders vote in favour of Item 5 in the Notice of Meeting. Ms Wikramanayake, being the Managing Director and Chief Executive Officer, has a material personal interest in the resolution and, therefore, has abstained from providing a recommendation.

Item 6 – Approval of the issue of Macquarie Group Capital Notes 5

Background

Macquarie Group Capital Notes 5 (MCN5)

On 17 March 2021, Macquarie completed the issue of 7,254,400 Macquarie Group Capital Notes 5 at an issue price of \$100 per MCN5. Macquarie also redeemed the Macquarie Group Capital Notes 2 (MCN2) on 17 March 2021, with eligible MCN2 holders invited to reinvest in MCN5. The net proceeds of the MCN5 issuance were used for general corporate purposes. MCN5 qualify as eligible capital for Australian Prudential Regulation Authority (APRA) purposes. MCN5 were issued to institutional investors, Australian resident retail and high net worth investors and eligible holders of Macquarie securities, including MCN2.

MCN5 are unsecured, subordinated notes issued by Macquarie. They are non-cumulative and mandatorily convertible into ordinary shares in Macquarie (subject to certain conditions). A summary of the terms of the MCN5 is provided in Appendix B to these Explanatory Notes. A copy of the replacement prospectus containing the full terms and conditions of the MCN5 was lodged with the ASX on 23 February 2021 and is also available on Macquarie's website.

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Reason for seeking approval

In general terms, ASX Listing Rule 7.1 imposes a limit on the number of equity securities (including ordinary shares and convertible securities) that a company can issue or agree to issue without shareholder approval (15% placement capacity) where an exemption to the rule does not apply. Macquarie determined that it was able to issue all of the MCN5 within the 15% limit of its equity placement capacity and accordingly no shareholder approval was required.

ASX Listing Rule 7.4 provides that an issue of equity securities by a company made pursuant to ASX Listing Rule 7.1 is treated as having been made with approval for the purposes of ASX Listing Rule 7.1, if it is subsequently approved by the company's shareholders.

The effect of approving Item 6 will be to refresh Macquarie's 15% placement capacity under ASX Listing Rule 7.1 so that its capacity would be the same as if the MCN5 had been issued with shareholder approval. If shareholders approve Item 6, Macquarie will have greater flexibility to make future placements of Macquarie shares and other issuances of equity securities to raise funds to meet future needs. Notwithstanding an approval by shareholders of the proposed resolution in Item 6, any future equity raisings will remain subject to the 15% limit set out in ASX Listing Rule 7.1 where an exemption to the limit does not apply.

If Item 6 is not approved, Macquarie's placement capacity will remain reduced by approximately 1.3% of Macquarie's issued capital for a period of 12 months from 17 March 2021, being the date on which Macquarie completed the issue of MCN5.

MCN5

The conversion feature of the MCN5 means that MCN5 are "convertible securities" of Macquarie for the purposes of the ASX Listing Rules. For the purposes of calculating the impact on placement capacity under the ASX Listing Rules at any time, the number of ordinary shares to be taken into account is the number that would result if the MCN5 were exchanged at that time. For example, using the volume weighted average price during the 20 ASX trading days ending 9 June 2021 of \$152.22, the issue of MCN5 reduced Macquarie's future placement capacity by approximately 1.3% of Macquarie's issued capital unless shareholders approve Item 6 in the Notice of Meeting. Under the terms of the MCN5, approximately 4.8 million Macquarie ordinary shares would have been issued if the conversion had occurred on 10 June 2021.

The Board unanimously recommends that shareholders vote in favour of Item 6 in the Notice of Meeting.

Appendix A – Performance Share Units

Executive Committee members, including the Chief Executive Officer and Managing Director, are the only group of staff eligible to receive Performance Share Units (PSUs), which are subject to forward-looking performance hurdles and are determined with reference to Macquarie's performance as a whole. As such, they provide an additional incentive to Executive Committee members to drive company-wide performance over the long-term and beyond their business group responsibilities. PSU awards are a meaningful incentive but are generally not the major element of an Executive Committee member's total remuneration.

While the PSU pool is determined with reference to profits over recent years, the Board retains discretion to determine the final PSU pool taking into consideration both financial and non-financial factors, including the risk profile of Macquarie.

Individual allocations are based on their role as members of the Executive Committee and their contribution to driving the collective performance of Macquarie, including their collaboration across businesses.

PSUs are granted in August each year. In a change from last year, the number of PSUs that will be allocated will be calculated by dividing the face value of the PSU award by the price of Macquarie shares on or around the date of grant.

Since their introduction, PSUs have been structured as Deferred Share Units⁽⁵⁾ with performance hurdles. Holders have no right to dividend equivalent payments. There is no exercise price for PSUs.

The following table summarises the key terms of PSUs and the performance hurdles:

	EPS CAGR Hurdle	ROE Hurdle
Application	50% of PSU award	50% of PSU award
Performance measure	Compound annual growth rate (CAGR) in EPS over the vesting period (four years).	Average annual ROE over the vesting period (four years) relative to a reference group of global financial institutions ⁽⁶⁾
Hurdle	Sliding scale applies: 50% becoming exercisable at EPS CAGR of 7.5% 100% at EPS CAGR of 12%. For example, if EPS CAGR was 9.75%, 75% of the relevant awards would become exercisable.	Sliding scale applies: 50% becoming exercisable above the 50th percentile. 100% at the 75th percentile. For example, if ROE achievement was at the 60th percentile, 70% of the relevant awards would become exercisable.
Forfeiture	- Malus provisions apply. - The standard policy is that unvested PSUs will be forfeited upon termination. - In the case of retirement from Macquarie, redundancy, death, serious incapacitation, disability, serious ill-health, or other limited exceptional circumstances, the Board or the BRC has the authority to either accelerate the vesting of PSUs or to permit the PSUs to continue to vest in accordance with the original award schedule and remain subject to the same performance hurdles. - Should a change of control occur⁽⁷⁾, the Board or the BRC has discretion to determine how unvested PSUs should be treated having regard to factors such as the length of time elapsed in the performance period, the level of performance to date and the circumstances of the change in control.	

Rationale for hurdles

The PSU hurdles are regularly reviewed by the BRC to ensure they continue to align the interests of staff and shareholders and provide a challenging but meaningful incentive to Executive Committee members. The BRC considers historical and forecast market data, the views of corporate governance bodies, shareholders and regulators, as well as market practice. Both the relative ROE and absolute EPS hurdles were reviewed by the Committee during the year and were considered to still be appropriate. No change has been made to the hurdles for FY2021 for the following reasons:

- ROE and EPS growth drive long-term shareholder value and are appropriate as the Executive Committee can affect outcomes on both measures. In contrast, Total Shareholder Return (TSR) is influenced by many external factors over which executives have limited control
- The approach is consistent with that advocated by APRA in not using TSR as a measure
- ROE and EPS can be substantiated using information that is disclosed in Macquarie's annual report

(5) A Deferred Share Unit is one of the award types under the Macquarie Group Employee Retained Equity Plan (MEREP). For further details, refer to Note 32 to the financial statements in the Financial Report in Macquarie's 2021 Annual Report.

(6) The reference group for awards is Bank of America Corporation, Barclays PLC, Credit Suisse Group AG, Deutsche Bank AG, Goldman Sachs Group Inc., JP Morgan Chase & Co., Lazard Ltd, Morgan Stanley and UBS AG.

(7) Under the MEREP Plan Rules, a change in control occurs where a person acquires or ceases to hold a relevant interest in more than 30% of Macquarie shares or where the Board resolves that a person is in a position to remove one-half or more of the Voting Directors.

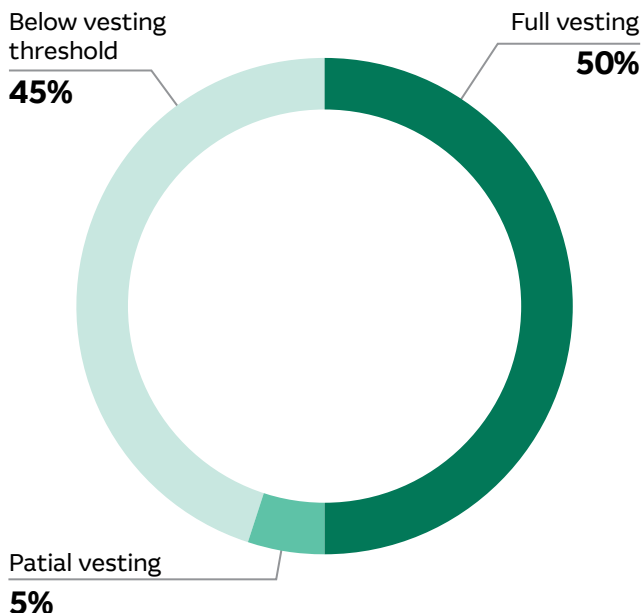
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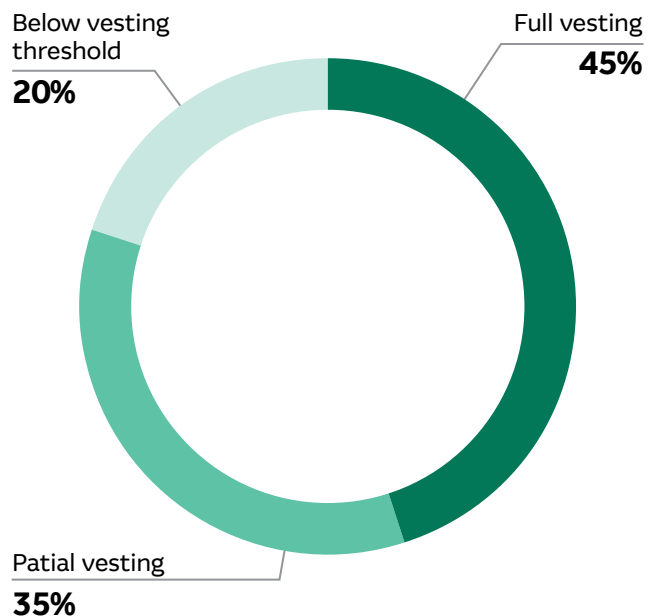
- A sliding scale diversifies the risk of not achieving the hurdles and provides rewards proportionate to performance for shareholders and is preferable to an all-or-nothing test which some have argued could promote excessive risk-taking
- The hurdles are designed to reward sustained strong performance and are relatively well-insulated from short-term fluctuations. The time frame used for PSUs should also be considered in light of the three to seven-year deferral of profit share for members of the Executive Committee
- The EPS targets are confirmed as rigorous when market performance is considered, with the EPS threshold hurdle exceeding the performance of most of the ASX 20, global reference group and relevant indices over time
- For the EPS element to fully vest, Macquarie needs to achieve at least 12% CAGR over the vesting period. Supporting the rigour of the hurdle, cumulative EPS growth of 57% over 4 years is required to achieve full vesting
- The ROE vesting thresholds and sliding scale are in line with the domestic market and are particularly challenging when compared to international practice.

The charts below display Macquarie's historical EPS and ROE PSU outcomes, highlighting that since their introduction in 2009, 50% of the EPS tranches and 55% of the ROE tranches have resulted in either no vesting or partial vesting.

Historical EPS tranche outcomes



Historical ROE tranche outcomes



Use of an international reference group:

An international reference group recognises the extent of Macquarie's diversification and internationalisation. As at 31 March 2021, total international income represented approximately 68% of Macquarie's total income, with approximately 56% of Macquarie's staff located outside Australia. The BRC considers an international reference group to be appropriate on the basis that:

- the international reference group is currently most representative of Macquarie's business operations and talent pool. These firms broadly operate in the same markets and in similar business segments, and compete for the same people as Macquarie
- Macquarie has no comparable Australian listed peers.

In addition, the BRC considers it important to not intervene reactively to remove underperformers or overperformers in any given period. An organisation's period of under-performance is generally followed by a period of over-performance.

Macquarie's ROE performance compared to an international reference group

Macquarie's ROE for FY2021 of 14.3%, broadly in line with FY2020 and remains higher than the majority of the international reference group. In addition, Macquarie's three, five and ten-year average annual ROE exceeds the majority of the reference group.

Reference Group ROE over ten years FY2012-2021

	1-year	3-year	5-year	10-year
	Average % p.a.	Average % p.a.	Average % p.a.	Average % p.a.
Macquarie	14.3	15.6	15.8	13.3
Average of reference group	12.8	12.1	9.7	9.4
Company	6.7	9.5	8.4	5.6
Company	2.8	3.5	2.0	1.4
Company	6.2	6.2	2.0	2.0
Company	0.3	(3.1)	(2.8)	(1.2)
Company	10.9	11.4	9.7	9.2
Company	11.3	13.2	11.9	10.9
Company	52.9	46.7	38.3	42.3
Company	12.7	12.0	10.5	7.4
Company	11.5	9.4	7.2	6.5

Source: Bloomberg (reference group) and Macquarie as reported.

Testing of hurdles

Under both performance hurdles, the objective is examined once only. Testing occurs annually on 30 June immediately before vesting on 1 July, based on the most recent financial year end results available. PSUs that do not meet performance hurdles expire.

The PSUs that completed their performance period on 30 June 2020 comprised the second tranche of those granted in 2016 and the first tranche of those granted in 2017. The performance hurdle tests were performed using data sourced from Bloomberg for all peers (as well as Macquarie) and the calculations were reviewed independently. The results showed that the performance hurdles:

- based on Macquarie's relative average annual ROE compared to the peer group have been fully met for both tranches; and
- based on the EPS CAGR in Macquarie's reported financial year have not been met for either the 2016 or the 2017 PSU grants.

As a result, 50% of the awards became exercisable on 1 July 2020, as shown below:

PSU tranche	EPS CAGR HURDLE			ROE HURDLE		
	Macquarie result (for vesting period)	Hurdle	Outcome	Macquarie result (for vesting period)	Hurdle	Outcome
2016 Tranche 2	6.31%	50% at 7.5% CAGR 100% at 12% CAGR	0% exercisable	14.86% (88th percentile)	50% above the 50th percentile ⁽⁸⁾ 100% at the 75th percentile ⁽¹⁴⁾	100% exercisable
2017 Tranche 1	6.35%	50% at 7.5% CAGR 100% at 12% CAGR	0% exercisable	15.23% (88th percentile)	50% above the 50th percentile ⁽⁹⁾ 100% at the 75th percentile ⁽¹⁵⁾	100% exercisable

(8) Peer group ROE at 50th percentile 8.83% and peer group ROE at 75th percentile 9.41%.

(9) Peer group ROE at 50th percentile 9.92% and peer group ROE at 75th percentile 10.53%.

Explanatory Notes

Continued

Appendix B – Summary of the terms of the Macquarie Group Capital Notes 5 (MCN5)

The following is a summary of the terms and conditions of the MCN5. The MCN5 terms are set out in Appendix A of the MCN5 replacement prospectus dated 23 February 2021 (Replacement Prospectus). Capitalised terms used in this summary have the meaning given to them in the Replacement Prospectus. A copy of the Replacement Prospectus can be found at macquarie.com or asx.com.au

About MCN5

MCN5 are unsecured, subordinated notes issued by MGL. They are non-cumulative and mandatorily convertible into ordinary shares in Macquarie (subject to certain conditions). The Issue Price was \$100 per MCN5. MCN5 constitute eligible capital of Macquarie Group in a manner which satisfies APRA's regulatory capital requirements.

Distributions

MCN5 are scheduled to pay floating rate cash distributions quarterly in arrears until all MCN5 are Exchanged, Redeemed or Written-Off, subject to the Payment Conditions. The Distribution Rate is recalculated quarterly based on the Reference Rate plus a margin of 2.90% pa, adjusted for franking.

Distributions are expected to be franked at the same rate as dividends on Ordinary Shares. The level of franking may vary over time and Distributions may be partially, fully or not franked.

Distributions on MCN5 are discretionary, which means MGL can decide not to pay a Distribution. Distributions can also only be paid if certain Payment Conditions are met (including that MGL is able to pay Distributions without breaching APRA's capital adequacy requirements or becoming insolvent). Distributions are non-cumulative, which means that if a Distribution has not been paid on a Distribution Payment Date then MGL has no obligation to pay the Distribution at any later date.

Unless a Distribution is paid in full within 10 Business Days of the Distribution Payment Date, in most circumstances MGL is restricted from paying any dividends or returning capital on Ordinary Shares until the next Distribution Payment Date.

Exchange

MCN5 may be Exchanged for a variable number of Ordinary Shares in the following circumstances:

- **Exchange at MGL's option:** MGL may also choose to Exchange all or some MCN5 on 18 September 2027, 18 March 2028 or 18 September 2028⁽¹⁰⁾ or if there has been a Tax Event or Regulatory Event, provided certain conditions are met.
 - **Acquisition Event:** MGL will be required to Exchange all MCN5 for Ordinary Shares if an Acquisition Event occurs (broadly, a change of control of MGL by takeover bid, scheme of arrangement or otherwise), provided certain conditions are met.
 - **Non-Viability Event:** MGL will be required to immediately Exchange all or some MCN5 for Ordinary Shares (or, if Exchange has not occurred for any reason within 5 Business Days, Write-Off all or some MCN5) if a Non-Viability Event occurs. Exchange under these circumstances is not subject to any conditions.
- The maximum number of Ordinary Shares that MCN5 can be Exchanged for is 3.3966 per MCN5 (subject to adjustment).

Ranking in a winding up

In a Winding Up of MGL, MCN5 will rank ahead of Ordinary Shares, equally with Equal Ranking Obligations, but behind all Senior Creditors of MGL.

However, any return on MCN5 in a Winding Up may be adversely affected or reduced to zero if a Non-Viability Event occurs. If APRA determines that a Non-Viability Event occurs, some or all of the MCN5 are required to be Exchanged, or if that does not occur, Written Off. Where an Exchange occurs, the MCN5 Holders will become holders of Ordinary Shares (ranking equally with other Ordinary Shares). If MCN5 are Written-Off, the MCN5 Holders will have no claim at all on MGL (even though Ordinary Shares will still be on issue).

- **Mandatory Exchange:** All MCN5 are scheduled to be Exchanged on 18 September 2030, unless the Exchange Conditions relevant to that date are not met (in which case, Exchange will be deferred until the next quarterly Distribution Payment Date where the Exchange Conditions are met). The Exchange Conditions (where applicable) are intended to ensure that MCN5 Holders will receive approximately \$101 worth of Ordinary Shares per MCN5 on Exchange (based on the VWAP during the 20 ASX Trading Days before the Relevant Mandatory Exchange Date) and that the Ordinary Shares are capable of being sold on ASX.

⁽¹⁰⁾ Due to the Business Day convention, the Scheduled Optional Exchange Dates are deferred from 18 September 2027 to 20 September 2027, and from 18 March 2028 to 20 March 2028.

Cover image

Macquarie is one of Australia's largest agricultural investment managers. Located in Western Australia, the Tantanoola property – operated by Macquarie-managed Viridis Ag – grows grains such as wheat, barley, lupins and canola.



Investor Information

Enquiries

Investors who wish to enquire about any matter relating to their Macquarie Group Limited shareholding are invited to contact the share registry:

Link Market Services Limited

Level 12, 680 George Street
Sydney NSW 2000 Australia

Telephone (within Australia): 1300 554 096
Telephone (internationally): +61 1300 554 096
Facsimile: +61 2 9287 0309

Email: macquarie@linkmarketservices.com.au
Website: www.investorcentre.linkmarketservices.com.au

All other enquiries relating to a Macquarie Group Limited share investment can be directed to:

Investor Relations

Macquarie Group Limited
Level 6, 50 Martin Place
Sydney NSW 2000 Australia

Telephone: +61 2 8232 3333
Facsimile: +61 2 8232 7780

Email: macquarie.shareholder@macquarie.com
Website: macquarie.com/investors

Website

Macquarie's 2021 Annual Report is available on Macquarie's website at: macquarie.com/about/investors/reports

macquarie.com

LODGE YOUR VOTE

ONLINE
www.linkmarketservices.com.au

BY MAIL

Macquarie Group Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia


BY FAX

+61 2 9287 0309


BY HAND

Link Market Services Limited
1A Homebush Bay Drive, Rhodes NSW 2138; or
Level 12, 680 George Street, Sydney NSW 2000


ALL ENQUIRIES TO

Telephone: +61 1300 554 096


X99999999999

PROXY FORM

I/We being a member(s) of Macquarie Group Limited and entitled to attend and vote hereby appoint:

APPOINT A PROXY

☐ **the Chairman of the Meeting (mark box)**

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name and email of the person or body corporate you are appointing as your proxy. An email will be sent to your appointed proxy with details on how to access the meeting.

Name

Email

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit on any resolution or procedural motion which may be proposed) at the Annual General Meeting of the Company to be held at **10:30am (AEST) on Thursday, 29 July 2021 (the Meeting)** and at any postponement or adjournment of the Meeting.

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

Chair of the meeting authorised to exercise undirected proxies on remuneration related matters (Items 3, 4 and 5): If the Chairman of the Meeting is your proxy and you do not direct your proxy to vote 'For', 'Against' or to 'Abstain' on:

- Items 3 and/or 5, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Items 3 and/or 5 (as applicable) even if that item is connected directly or indirectly with the remuneration of a member of the Key Management Personnel of Macquarie. The Chairman of the Meeting will vote undirected proxies in favour of Items 3 and/or 5 (as applicable); and/or
- Item 4, you will be deemed to have directed the Chairman of the Meeting to vote in favour of Item 4.

If you have appointed the Chair of the Meeting as your proxy (or the Chair of the Meeting becomes your proxy by default), and you wish to give the Chair specific voting directions on an item, you should mark the appropriate box opposite that item in Step 2 below (directing the Chair to vote for, against or to abstain from voting).

Proxyholders will need to contact the Company's share registry, Link, on 1300 554 096 or +61 1300 554 096 to obtain their login details to participate live online.

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting.

Please read the voting instructions overleaf before marking any boxes with an ☒

Resolutions

	For	Against	Abstain*		For	Against	Abstain*
2a Election of Ms RJ McGrath as a Voting Director	☐	☐	☐	2b Election of Mr M Roche as a Voting Director	☐	☐	☐
2c Re-election of Mr GR Stevens as a Voting Director	☐	☐	☐	2d Re-election of Mr PH Warne as a Voting Director	☐	☐	☐
3 Adoption of the Remuneration Report	☐	☐	☐	4 Approval of Termination Benefits	☐	☐	☐
5 Approval of Managing Director's participation in the Macquarie Group Employee Retained Equity Plan (MEREP)	☐	☐	☐	6 Approval of the issue of Macquarie Group Capital Notes 5	☐	☐	☐



* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, all shareholders must sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name and email address of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form, including where the Resolution is connected directly or indirectly with the remuneration of KMP.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- return both forms together.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, all shareholders must sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting online the appropriate "Certificate of Appointment of Corporate Representative" must be received at macquarie@linkmarketservices.com.au prior to the commencement of the meeting in accordance with the Notice of Annual General Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **10:30am (AEST) on Tuesday, 27 July 2021**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



ONLINE

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to submit your proxy appointment. To use the online lodgement facility, shareholders will need their "Holder Identifier" - Securityholder Reference Number (SRN) or Holder Identification Number (HIN).



BY MAIL

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C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia



BY FAX

+61 2 9287 0309