


# Conflicts of Interest Summary Policy Macquarie Group

## RMG Compliance



Owner	RMG Compliance
Version	2
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Rationale	This document provides a summary of Macquarie's Conflicts of Interest Policy.
Policy Statement	Macquarie's Conflicts of Interest Policy sets out the framework for identifying, preventing and managing conflicts of interest, whether actual, potential or perceived.
Application	This policy applies to all Macquarie employees, contractors and consultants ("staff").

## 1. Introduction

To meet its obligations under applicable laws and regulations, Macquarie Group Limited and its related entities (“Macquarie”) are required to implement adequate conflicts management arrangements.

Macquarie’s Conflicts of Interest Policy sets out the framework for identifying, preventing and managing conflicts of interest, whether actual, potential or perceived. This policy applies to all Macquarie employees, contractors and consultants (“staff”).

This document provides a summary of Macquarie’s Conflicts of Interest Policy.

## 2. What is a conflict of interest?

A conflict of interest refers to a situation where the interests of a client or potential client may be incompatible with those of another client, a counterparty, staff or with Macquarie itself.

Macquarie will take all appropriate steps to identify and to prevent or manage conflicts of interest between the firm and its clients, between different clients of the firm, and with staff.

## 3. Identifying conflicts of interest

Staff are required to act reasonably and employ good judgement in identifying and responding to potential conflict situations as well as recognising when to seek assistance or escalate them in a timely and appropriate manner. They must disclose personal conflicts appropriately to both their manager and Compliance.

It is the responsibility of each business group at Macquarie to understand its obligation to check whether a new or proposed activity may create a conflict with any existing or proposed activities or relationships within Macquarie.

## 4. Types of conflicts

Conflicts of interests can arise when:

- staff have personal, business or other competing interests that conflict with clients’ or Macquarie’s interests;
- Macquarie’s interests differ from the interests of a client, customer, unit holder or counterparty. For example, when Macquarie,
  - has confidential knowledge about its clients in a way that is likely to advance its or another client’s interests;
  - could fail to meet its client’s objectives or its fiduciary obligations;
  - may make a financial gain or avoid a financial loss at the expense of a client, customer, unit holder or counterparty;
  - has the same competing business as a client;
  - has an incentive to favour the interests of one client, or a group of clients or customers, over another client or another group of clients or customers.

## 5. Managing conflicts of interest

Macquarie has put in place systems and controls to prevent or manage conflicts of interests including:

- Separate supervision of Staff that carry out activities or provide services to clients whose interests may be in conflict with Macquarie or an individual Staff member’s interests.
- Conflicts check: each business group is responsible for establishing conflicts clearance guidelines according to the types of activities they engage in.

- Intra or intra group escalation: if a conflict is identified within the same or with another Macquarie business group, senior management and Compliance will assess and determine the most appropriate response.
- Avoidance: where conflicts of interest pose a potentially serious impact, the only way to adequately manage those conflicts may be to avoid them.
- Disclosure: Macquarie may elect to disclose the conflicts of interest to clients
- Supervisory arrangements: Each Group within Macquarie has a dedicated Group Head to ensure separate supervision of Staff.
- Information Barriers: Macquarie uses information barriers to control the flow of confidential and/or material non-public information. Information barriers are implemented through organizational structures, procedural controls and physical separation.
- Watch list: The Watch List is a confidential list maintained by the Control Room and is used to monitor Macquarie's and Staff activities while Macquarie as a whole or specific Group(s) are in possession of confidential information that may be material and price sensitive.
- Restricted list: Macquarie places issuers/securities on the Restricted List to manage activities within Macquarie (e.g. sales, trading & research) that must be limited or prohibited as a result of Macquarie's involvement in material transactions, or due to legal, regulatory or policy requirements.
- Disclosure and monitoring of personal conflicts: Staff member's personal activities which may give rise to potential conflicts are subject to disclosure and monitoring.

## 6. Policy Governance

The approval, review, update, oversight, monitoring and reporting of the Conflicts of Interest Policy is governed by Macquarie's governance framework for establishing and managing Group-wide policies.