



Research Independence Policy Statement

Macquarie Securities (Australia) Limited

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Policy owner:	RMG Compliance
Policy statement:	This policy sets out the key elements of Macquarie Research's compliance framework. The framework aims to ensure that Research reports produced globally by Macquarie Research, reflect the professional and unbiased view of its analysts, are entirely independent and free of influence from other Macquarie staff or other external parties, and sufficiently disclose any real or potential conflicts of interest.

1. Policy Statement

Macquarie Research is responsible for the production of Macquarie's institutional Research product. It is fundamental to the integrity of this function that it be independent and that its Research product at all times reflects the professional and unbiased judgement and expertise of Macquarie's Research Analysts. This policy sets out the key elements of Macquarie Research's compliance framework which is in place to ensure that all Research reports produced by Macquarie Research:

- reflect the professional and unbiased view of the Research Analyst;
- are entirely independent and free of influence from other Macquarie staff or other external parties; and
- sufficiently disclose any real or potential conflicts of interest that we consider could be relevant to a recipient of Macquarie Research.

2. Application

This Policy applies to all Macquarie Research staff in Australia and New Zealand and the Research product produced by them. The Policy sets out the organisational principles and standards applicable to all Research reports produced by Macquarie Research. All Research product and the communications of Research staff must also meet any applicable local regulatory requirements and the requirements of the jurisdiction in which they are distributed. Where local regulation is more restrictive requirements than that specified in this policy, the higher standard will apply. In addition, Research staff must comply with all other internal Macquarie policies applicable to them.

3. Core Research Values

Macquarie Research reports are produced and distributed by Macquarie Research. To maintain objectivity and independence, all Research produced must be:

- clear, fair, balanced and not misleading;
- prepared with appropriate expertise and due care; and
- based on publicly available information.

Macquarie Research staff must:

- be appropriately licensed for the relevant jurisdiction in which they are operating and properly trained;
- comply with all internal Macquarie Research policies and all applicable laws and regulations;
- only express professional and unbiased views and opinions based on their own analysis;
- have a reasonable basis for any forward looking statements;
- not permit unauthorised persons to review draft Research prior to publication;
- not selectively disclose their views or opinions to certain clients;
- not publish Research or make comment when in possession of potential or actual material non-public information;
- not engage in activities that are inconsistent with maintaining their independence, including for the avoidance of doubt having no involvement in the solicitation of corporate advisory transactions;
- notify Macquarie Compliance immediately if they inadvertently receive price sensitive information, or if they are put under pressure from internal or external parties with respect to the content of their research reports;
- disclose any relevant personal conflicts of interest; and
- not undertake any trading or investment activities in securities relating to issuers for which they have research coverage responsibilities.

4. Research Coverage Decisions

All decisions regarding research coverage (initiation or termination), frequency of publishing and content are made at the sole discretion of Macquarie Research's management and staff. Coverage decisions are not influenced by the issuer or staff in any other Macquarie divisions, although Macquarie Research may consider feedback provided by investors in making such decisions. The criteria used for coverage decisions include having sufficient research staff and expertise to provide continuity of coverage, relevance to investor clients, liquidity, volume of company's shares traded or anticipated to be traded, and anticipated future demand and interest in a particular company or sector.

5. Macquarie Research Supervision and Remuneration

Macquarie Research staff are supervised by, and report to, a dedicated Research Management team.

Research Management is responsible for determining the remuneration of Macquarie Research staff in conjunction with Senior Management of the Commodities and Global Markets (CGM) division of Macquarie Group. Macquarie staff who are involved in the provision of corporate advisory services are not involved in the evaluation and appraisal of Macquarie Research staff's performance nor any remuneration decisions.

Factors that are considered in assessing Research staff performance include:

- the quality and accuracy of the Research produced;
- compliance with Macquarie Research policies, including training and professional development;
- evaluations of investing customers and sales and trading staff;
- ratings in independent surveys;
- relative experience and seniority;
- performance of management responsibilities;
- productivity; and
- the competitive marketplace for research analysts.

6. Conflicts of interest

Macquarie Group Limited does and seeks to do business with companies covered by Macquarie Research. There are robust information barriers in place to protect the independence of Macquarie Research's product. However, recipients of Macquarie Research should be aware of this potential conflict of interest. Additionally, Macquarie Securities (Australia) Limited staff involved with the preparation of research necessarily have regular interaction with the companies they cover.

Macquarie's information barriers involve physical and technological segregation to restrict the flow of information to ensure that confidential and price sensitive information is not improperly communicated. Macquarie Research staff are physically separated from other Macquarie staff, including all advisory and sales staff, with security restrictions in place to control access to physical premises. These controls help maintain Macquarie Research's independence by ensuring Research staff are not privy to information that may be held in other parts of the Macquarie Group.

In certain circumstances, Research staff may be 'wall-crossed' under the supervision of Compliance. During such periods, Research Analysts are restricted from publishing on any Issuer the subject of the wall crossing.

Notwithstanding these information barrier arrangements, Macquarie maintains policies and procedures to identify potential conflicts of interest which may be relevant to recipients of Macquarie's Research product when considering the views expressed in a specific report. Where such conflicts, real or perceived are identified they will be appropriately disclosed in Macquarie Research.

7. Investor Education Research

From time to time, Macquarie Research may produce Investor Education Research (“IER”) in connection with a potential initial public offering. The purpose of the IER is to help educate institutional investors with respect to an issuer for which there may be limited public information available. Notwithstanding the association with the potential initial public offering, IER is produced under strict separation protocols and is subject to the same independence principles that apply to all of Macquarie Research’s product. In addition all such IER is based on information available in the relevant product disclosure statement or information that is otherwise publicly available. In Australia, the requirements of ASIC Regulatory Guide 264 apply to all IER produced.

8. Limitation

This document is prepared and published in order to comply with relevant Australian rules and regulations, including the Australian Securities and Investments Commission regulations, and is not intended to create third party rights or duties or to form part of any contractual agreement between Macquarie and any client. This policy summary may be reviewed and amended at any time.