

# Group Tax Policy

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<b>Document classification:</b>	Macquarie-wide policy (Specific)
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<b>Approver:</b>	Policy Owner
<b>Rationale:</b>	Tax Risk is recognised as a material risk in Macquarie’s risk management framework. A failure to comply with applicable tax laws, regulations or rulings or a failure to meet other Revenue Authority requirements or expectations can result in significant adverse financial or non-financial impacts.
<b>Policy statement:</b>	This policy outlines the principles that govern Macquarie’s approach to Tax risk including the framework by which Macquarie’s operational and risk management obligations are met and adheres to the risk appetite principles outlined in Macquarie’s Risk Appetite Statement.
<b>Application:</b>	This Policy is applicable to all Macquarie staff employed or engaged by Macquarie Group Limited, Macquarie Bank Limited, or any of their subsidiaries who engage in or support the activities covered by the Scope of this policy.

# 1. General

## 1.1 Context

Tax risk can be material and have significant adverse financial or non-financial impacts on Macquarie. Tax risk has the potential to extend beyond relationships with Revenue Authorities, negatively impacting Macquarie and its business performance, as well as our broader relationships with clients, counterparties, and the communities and markets in which we operate. This policy outlines the principles that govern Macquarie's approach to Tax risk and adheres to Macquarie's commitment to sound Environmental, Social and Governance (ESG) practices as part of our responsibility to our clients, shareholders, employees and the communities in which Macquarie operates.<sup>1</sup> Macquarie's ESG approach is structured around eight focus areas, one of which is business conduct and ethics. Taxation forms part of Macquarie's commitments on business conduct and ethics and as part of that commitment, Macquarie has acknowledged stakeholder expectations for increased transparency on tax-related matters by becoming a signatory to the Australian Board of Taxation's voluntary Tax Transparency Code.

This document complies with Macquarie's duties under paragraph 19(2) and paragraph 22(2) of Schedule 19 of the Finance Act 2016 to publish a UK tax strategy for the financial year ended 31 March 2024. References to a "Revenue Authority" and "tax" in this document shall, in the case of the UK subsidiary undertakings of Macquarie Group Limited, mean HM Revenue and Customs and tax chargeable under the laws of the United Kingdom respectively.

## 1.2 Scope of this policy

This policy covers all circumstances, activities or situations relating to tax risks.

Tax risk includes any event, action, conduct or inaction in tax strategy, operations, financial reporting or compliance that has the potential to either adversely affect Macquarie's tax or business objectives or result in an unanticipated or unacceptable levels of monetary, financial statement or reputational loss or exposure.

Tax risks can take a number of different forms (e.g. tax withholding or payment failure, misinterpretation or misapplication of tax law or a tax filing or reporting failure) and are an inherent part of Macquarie's ordinary business operations.

References in this document to the Tax Function relate to the global Tax Advisory and Tax Reporting teams. Where there are tax representatives in business units and support functions, they must also comply with this Policy.

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<sup>1</sup> Macquarie Annual Report 2023, Page 48

## 2. Policy requirements

### 2.1 Key principles

The key principles that govern Macquarie's approach to tax risk are outlined below:

- Tax risks are to be identified, assessed, controlled and reported.
- Laws, regulations, administrative requirements and required disclosures to Revenue Authorities are to be complied with.
- Policies and procedures in relation to tax risk management are to be documented and maintained.
- The integrity of our tax data, compliance and reporting systems are to be maintained.
- Open, transparent and professional relationships with Revenue Authorities, both local and international should be maintained.
- Outstanding issues with Revenue Authorities should be resolved as effectively as possible.
- Macquarie's reputation should be protected and the confidence of our stakeholders maintained.
- Our international related party transactions are based on commercial considerations and are undertaken in accordance with arm's length principles.
- Macquarie staff should conduct themselves in a way that maintains trust in Macquarie by regulators, Revenue Authorities, clients and the public.
- Macquarie's tax affairs are to be conducted in compliance with the tax laws of the jurisdictions in which Macquarie operates.

Macquarie may be entitled to tax concessions in the course of its normal business but has no appetite for any transaction that is motivated by the avoidance of tax.

Moreover, Macquarie will not finance, or in any other way support, transactions where the objective of any of the parties might reasonably be expected to be the obtaining of a dividend withholding tax benefit.

### 2.2 Transactions

Macquarie seeks to ensure that tax issues are properly recognised at the earliest stages of a transaction in accordance with the New Product and Business Approval Policy.

When a business unit is seeking input and sign-off from the Head of Tax (or delegate) in relation to a transaction, investment or product, the business unit is responsible for providing the Head of Tax (or delegate) with all the necessary information to facilitate sign-off.

This information will include a detailed description of the commercial objectives and rationale for the transactions, facts and assumptions, size of the transaction, involvement of third parties or other jurisdictions, the potential exposure from legal action by third parties, external advice received, timeframe of the transaction and approvals required.

The business is responsible for ensuring that a transaction is implemented appropriately. As part of this process, it is the business' responsibility to ensure that if the facts outlined to advisers or Tax Function as part of the briefing change, then the Tax Function is promptly informed.

In the event of tax uncertainty, Macquarie may seek advice from external tax advisors. The decision to seek external advice must be approved by the Tax Function.

Environmental and social risks in transactions are assessed in accordance with Macquarie's [Environmental and Social Risks Policy](#). This includes equity investments, financing, leasing and advisory mandates.

## **2.3 Accuracy of tax returns and other reporting**

Macquarie employs robust compliance procedures to enable accurate and complete tax returns and other reporting. Regular reviews of the Tax Function are conducted to determine the appropriateness of resourcing, the robustness of processes and that compliance procedures are accurate and supported by appropriate controls, systems and technology.

## **2.4 Tax Reporting to the Board Audit Committee**

Tax issues and risks are regularly considered with the CFO and escalated to MBL and MGL Executive Committees and Board Audit Committees (BAC) as appropriate. In addition, the CFO, with the assistance of the Head of Tax and the Heads of Finance, reports to the MGL and MBL BACs at least semi-annually in relation to tax matters and tax governance. On relevant tax issues, the Chief Risk Officer will also be consulted.

## **2.5 Tax Risk Management**

The Tax Function oversees and monitors the tax risks of all entities within the Macquarie Group. Macquarie has a robust tax risk management framework and a highly experienced global tax team. The Head of Tax and Heads of Finance are responsible for ensuring that appropriate controls are in place to manage identified risks. The Tax Function also undertakes a continuous programme of control assurance testing, and the design and effectiveness of the Macquarie tax control framework is regularly reviewed by Macquarie Internal Audit.

## **2.6 External Advisors**

Macquarie may engage external tax advisors as part of managing the tax risk profile. The choice of external tax advisor is subject to the approval of the Head of Tax (or delegate).

## **2.7 Revenue Authorities**

The Tax Function manages relationships with various Federal, State and Local Revenue Authorities globally. The objective of establishing and maintaining professional relationships with Revenue Authorities is to enable an efficient and collaborative approach to managing tax issues. In the event of tax uncertainty, Macquarie may engage with Revenue Authorities and seek advice.

## **2.8 Industry groups**

The Tax Function will participate in relevant industry forums and consultation processes as appropriate to ensure Macquarie is engaged with current tax issues and developments.