

MACQUARIE TECHNOLOGY GROUP LIMITED

BOARD CHARTER

Introduction

This charter sets out the role, responsibilities and composition of the Board of Macquarie Technology Group Limited ('the Group').

The role of the Board is to safeguard the Group's interests and foster sustainable value creation while taking into account the interests of shareholders and other relevant stakeholders.

The Board believes it must be proactive to add value, engage with management regularly and develop a deep understanding of the business on a range of key issues. The Board must bring its expertise, experience and judgement to bear on these issues.

Most importantly, the Board is responsible for the corporate governance of the Group. Corporate governance is the system of rules, relationships and practices that determine the direction and control of an organisation.

Composition of the Board

The Board has adopted a policy of ensuring that it is composed of a majority of non-executive Directors with an appropriate mix of skills and diversity to provide the necessary breadth and depth of knowledge and experience.

Each of the non-executive directors is an "independent" director for the purposes of the criteria for independence outlined by the ASX Corporate Governance Council in its *Corporate Governance Principles and Recommendations*. The independence of non-executive directors is monitored on an ongoing basis, having regard to information provided by each non-executive that is relevant to this assessment. The Chairman is selected from the non-executive directors and appointed by the Directors.

The Board has established a schedule of monthly meetings, although additional meetings can be held where the Chairman or Chief Executive considers such meetings necessary. The presence of two directors constitutes a quorum.

Board and Senior Management Responsibilities

The Board acts on behalf of and is accountable to the shareholders. The expectations of shareholders together with regulatory and ethical expectations and obligations are taken into consideration when defining the Board's responsibilities.

The Board's key responsibilities are:

- demonstrating leadership;
- defining the Group's purpose and setting its strategic objectives;
- approving the Group's statement of values and code of conduct, to underpin the desired culture within the Group;
- establishing, monitoring and modifying the Group's corporate strategies;
- monitoring the performance of management in the implementation of the Group's corporate strategies and implementation of the Group's values and performance generally;
- satisfying itself that an appropriate framework exists for relevant information to be reported by management to the board;

- reporting to security holders and the market, including timely and balanced disclosure of all material information concerning the Group that a reasonable person would expect to have a material effect on the price or value of the entity's securities;
- ensuring that an appropriate risk management framework and compliance framework is in place and operates effectively and that an appropriate risk appetite has been set;
- overseeing the integrity of the Group's accounting and corporate reporting systems, including the external audit;
- monitoring financial results, challenging management and holding management to account;
- reviewing business results and monitoring budgetary control and corrective actions (if required);
- authorising and monitoring budgets, major investments and strategic commitments;
- monitoring Board composition, director selection and Board processes and performance;
- appointing the Chair and Chief Executive;
- reviewing the performance of the Chair, Chief Executive, key executives and company secretary;
- endorsing key executive appointments and ensuring talent management and development frameworks and strategies are in place for the Chief Executive, and other key executive appointments;
- reviewing and approving remuneration of the Chief Executive and Managing Director – Hosting Group and satisfying itself that the group's remuneration policies are aligned with the Group's purpose, values, strategic objectives and risk appetite;
- overseeing and monitoring progress in relation to the Group's diversity objectives and compliance with its diversity policy; and
- ensuring corporate governance practices are suitable and appropriate for a Group of this size.

The responsibility for the day-to-day operation and administration of the Group has been delegated to the Chief Executive, who is supported by the senior managers. The Board ensures that the Chief Executive and the senior managers are appropriately qualified and experienced. For the purposes of this document, "*senior management*" and "*senior managers*" are defined as those managers who regularly provide reports to the Board and/or attend Board meetings.

The Board is also responsible for ensuring that management's objectives and activities are aligned with the expectations and risks identified by the Board.

All persons who are invited and agree to act as a director do so by a formal notice of consent. Non-executive directors have received formal letters of appointment. Each executive director is party to a formal executive service agreement.

Senior managers, including the Chief Financial Officer, have a letter of appointment describing their term of office, duties, rights and responsibilities and entitlements on termination.

When joining Macquarie Technology, Directors and senior managers are given access to extensive information on the Group's financial, strategic, operational and risk management position and are provided with regular updates on each of these matters. Directors and senior managers are also provided with the information required to enable them to understand the respective rights, duties, responsibilities and roles of the Board (including its committees) and senior managers. The Group runs a formal induction process for new Directors and senior managers which includes meeting the heads of each business area.

Senior managers have access to continuing education to update and enhance their skills and knowledge, including education concerning key developments in the Group and the industry in which it operates.

Committees

The Board has established two committees to assist with the implementation of its corporate governance practices. These are the:

- People, Remuneration and Culture Committee; and
- Audit and Risk Management Committee.

Directors are appointed to Board committees by formal resolution of the Board.

Copies of the Charters for each of these Committees can be found on the Investor section of our website.

Performance Evaluation

The performance of the Board (including its committees), individual Directors and senior managers is reviewed on a regular basis.

In the case of the Board and individual Directors, performance is evaluated largely having regard to the Board's key responsibilities listed above.

The performance of senior managers is reviewed on a half-yearly basis against agreed measurable and qualitative indicators as part of a company-wide performance and development review process. Details of the measurable indicators and the way they are linked to performance are set out in the remuneration report that is required to be included in the Group's annual financial statements. Qualitative indicators include the extent to which a senior manager's performance has been aligned to the Group's values.

Access to Information and Independent Professional Advice

Directors have the right, in connection with their duties and responsibilities as directors, to:

- have access to the Company Secretary, whose appointment and removal is a matter for decision by the Board as a whole
- seek independent professional advice at the Group's expense. Prior written approval of the Chairman is required, but this will not be unreasonably withheld.

In addition, Directors are provided with detailed financial information and reports by management on a monthly basis and have the right to request additional information where they consider that the information supplied by management is insufficient to support informed decision making.

External Auditors – Selection, Appointment and Rotation

The Board has delegated to the Audit and Risk Management Committee responsibility for making recommendations on the appointment, evaluation and dismissal of external auditors, setting their fees and ensuring that the auditor's report to the Committee and the Board.

The Group is committed to audit independence. The Audit and Risk Management Committee reviews the independence and objectivity of the external auditors. Those reviews include:

- seeking confirmation that the auditors are, in their professional judgment, independent of the Group
- considering whether, taken as a whole, the various relationships between the Group and the external auditors impairs the auditors' judgment or independence.

The Group's audit engagement partners will rotate at least every five years.

Board Charter Review

The Board Charter is reviewed annually as part of preparing the Group's Corporate Governance Statement. The Board approves the Group's Corporate Governance Statement by formal resolution each year.

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