

# Notice of Annual General Meeting

**MACQUARIE BANK LIMITED**  
ACN 008 583 542



NOT EARLIER THAN 2.00 PM,  
23 JULY 2008  
PALLADIUM AT CROWN  
LEVEL 1, CROWN TOWERS  
8 WHITEMAN ST, SOUTHBANK  
MELBOURNE, VICTORIA

**Macquarie Bank Limited**

ABN 46 008 583 542

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Sydney NSW 2000  
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AUSTRALIA

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13 June 2008



Dear Macquarie Income Securities Holder

Please find enclosed notice of the 2008 Annual General Meeting of Macquarie Bank Limited (the "Bank") which will be held in the Palladium at Crown, Level 1, Crown Towers, 8 Whiteman Street (Queensbridge Street end of the Crown complex), Southbank, Victoria on Wednesday, 23 July 2008 following the Macquarie Group Limited Annual General Meeting on the same date, but not earlier than 2.00 pm.

The meeting will cover the ordinary business transacted annually, together with the following special business:

- proposed changes to the Bank's Constitution.

Holders of Macquarie Income Securities may attend the Annual General Meeting but are not entitled to vote on any of the proposed resolutions.

You are invited to join the Board for light refreshments prior to this meeting.

Yours faithfully

A handwritten signature in black ink, appearing to read "David Clarke".

**David S Clarke**  
Chairman

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## NOTICE OF MEETING

Notice is hereby given that the 2008 Annual General Meeting of Macquarie Bank Limited (ACN 008 583 542) (the "Bank"), will be held in the Palladium at Crown, Level 1, Crown Towers, 8 Whiteman Street (Queensbridge Street end of the Crown complex), Southbank, Victoria on Wednesday, 23 July 2008 following the Macquarie Group Limited Annual General Meeting on the same date, but not earlier than 2.00 pm. Registration will open at 9.30 am.

### Ordinary Business

#### 1. Financial Statements

To consider and receive the Financial Report, the Directors' Report and the Auditor's Report of the Bank for the year ended 31 March 2008.

#### 2. Remuneration Report

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

*To adopt the Remuneration Report of the Bank for the year ended 31 March 2008.*

#### 3. Re-election of Dr HM Nugent as a Voting Director

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

*That Dr HM Nugent be re-elected as a Voting Director of the Bank.*

#### 4. Re-election of Dr JR Niland as a Voting Director

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

*That Dr JR Niland be re-elected as a Voting Director of the Bank.*

#### 5. Re-election of Mr PM Kirby as a Voting Director

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

*That Mr PM Kirby be re-elected as a Voting Director of the Bank.*

#### 6. Election of Mr NW Moore as a Voting Director

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

*That Mr NW Moore, having been appointed as a Voting Director since the last general meeting, be elected as a Voting Director of the Bank.*

### Special Business

#### 7. Proposed Constitution Changes

To consider and if thought fit, to pass the following as a special resolution:

*That with effect from the close of this meeting, the Constitution of the Bank is repealed and the Constitution in the form tabled and initialled by the Chairman for the purpose of identification, is adopted as the Constitution of the Bank.*

By order of the Board



Dennis Leong  
Company Secretary  
Sydney, 13 June 2008

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## Notes

The following notes are provided for ordinary shareholders of the Bank. Holders of Macquarie Income Securities may attend and speak at the Annual General Meeting but are not entitled to vote on any of the proposed resolutions.

### 1. Proxies

An ordinary shareholder may appoint a proxy to attend and vote for them. If they are entitled to cast two or more votes, they may nominate two persons to vote on their behalf at the meeting. If two proxies are appointed, each proxy may be appointed to represent a specified number or proportion of their votes. Fractions of votes will be disregarded. If no such number or proportion is specified, each proxy may exercise half their votes. A proxy form has been included for ordinary shareholders with this Notice of Meeting. Proxy voting instructions are provided on the back of the proxy form.

A proxy need not be a shareholder. Votes may be cast "For", "Against" or not voted on a resolution ("Abstain"). An ordinary shareholder may direct a proxy how to vote on any resolution by placing a mark (e.g. a cross) in the appropriate box on the proxy form and their votes may only be exercised in that manner. An ordinary shareholder may split their voting direction by inserting the number of shares or percentage of shares that they wish to vote in the appropriate box. If a mark is placed in the "Abstain" box, votes will not be counted in computing the required majority on a poll.

### 2. Proxy Delivery

Proxies given by post, fax or delivery must be received by the Bank's share registry, Computershare Investor Services Pty Limited, at GPO Box 242, Melbourne, Victoria, 3001 (facsimile number (03) 9473 2118) or at Level 2, 60 Carrington Street, Sydney, NSW, 2000 or at the Bank's registered office in the ACT, by no later than 6.00 pm (Melbourne time) on Monday, 21 July 2008. Any revocations of proxies must be received at one of these places before the commencement of the meeting, or at the registration desk at the Palladium at Crown for the 2008 Annual General Meeting from 9.30 am on the day of the meeting until the commencement of the meeting.

### 3. Shareholders Eligible to Vote

Pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth), the holders of the Bank's ordinary shares for the purposes of the meeting, will be those registered holders of the Bank's ordinary shares at 7.00 pm (Melbourne time) on Monday, 21 July 2008.

### 4. Voting at the Meeting

It is intended that voting on each of the proposed resolutions at this meeting will be conducted by poll, rather than on a show of hands.

### 5. Definitions

The terms "Voting Director" and "Executive Voting Director" are defined in the Explanatory Notes on Items of Business accompanying this Notice of Meeting.

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## EXPLANATORY NOTES ON ITEMS OF BUSINESS

### 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 Bank Limited (the "Bank") for the most recent financial year will be laid before the meeting.

Ordinary shareholders of the Bank and holders of Macquarie Income Securities will be provided with the opportunity to ask questions about the reports or about the Bank generally but there will be no formal resolution put to the meeting.

The reports are available on Macquarie's website: [www.macquarie.com.au](http://www.macquarie.com.au)

### Item 2: Remuneration Report

As required by section 250R(2) of the Act, a resolution that the Bank's Remuneration Report be adopted must be put to the vote. The Remuneration Report is contained within the Directors' Report in the Bank's 2008 Annual Report on pages 7 to 46 and is available on Macquarie's website.

Section 250R(3) of the Act provides that the vote on the resolution is advisory only and does not bind the Voting Directors or the Bank.

Ordinary shareholders of the Bank and holders of Macquarie Income Securities will be provided with the opportunity to ask questions about or make comments on the Remuneration Report.

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

### Items 3, 4 and 5: Re-election of Voting Directors Retiring by Rotation

Voting Directors, Dr Helen Nugent, Dr John Niland and Mr Peter Kirby, retire by rotation and offer themselves for re-election.

#### **Dr Helen M Nugent, AO, BA (Hons) PhD (Qld) MBA (Harv)**

*Independent Voting Director since June 1999  
She is 59 years of age*

Dr Nugent brings significant financial sector experience, both past and present, to the Board.

Currently, she is Chairman of Funds SA, a \$14 billion investment fund of the South Australian Government and Chairman of Swiss Re Life & Health Australia Limited. Swiss Re is one of the world's largest reinsurers.

Previously, she was a Non-Executive Director of the State Bank of NSW, and of Mercantile Mutual, now ING. From 1994 to 1999, she was Director of Strategy at Westpac Banking Corporation, reporting to the CEO and part of the executive team that was responsible for a significant turnaround in that bank's performance. Prior to joining Westpac, as a partner of McKinsey and Company, Dr Nugent worked extensively in the financial services sector, among other industries.

Currently, Dr Nugent is a full-time company director. In the non-financial services sector, she is a Non-Executive Director of Origin Energy and the Australian Davos Connection, as well as being a member of the board of Freehills. She is also a former part-time Executive Chairman of Hudson (Australia and New Zealand).

Dr Nugent has been actively involved in the community, particularly in the arts and education. In the arts, she was previously Chairman of the Major Performing Arts Board of the Australia Council, Deputy Chairman of the Australia Council, Deputy Chairman of Opera Australia and a Director of the Playbox Theatre. She was also Chairman of the Ministerial Inquiry into the Major Performing Arts, often referred to as the Nugent Inquiry. In education, she has been Professor in Management and Director of the MBA Program at the Australian Graduate School of Management and a member of the Council of Monash University. She is currently on the Council of Cranbrook School and is part of the panel undertaking the Higher Education Review.

The Board has greatly benefited from Dr Nugent's significant finance and strategy expertise. As an independent director with a keen interest in corporate governance, if re-elected, she looks forward to continuing to support the Board's role in adding value for shareholders.

The Board unanimously recommends that shareholders vote in favour of Dr Nugent's re-election.

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**Dr John R Niland, AC, BCom, MCom, HonDSc (UNSW), PhD (Illinois), DUniv (SCU), FAICD**

*Independent Voting Director since February 2003*

*He is 67 years of age*

Dr Niland brings a long and distinguished background in the academic sphere to the Board. He is a Professor Emeritus of the University of New South Wales ("UNSW") and was Vice-Chancellor and President of UNSW from 1992 to 2002. Before that he was the Dean of the Faculty of Commerce and Economics.

He is also a member of the University Grants Committee of Hong Kong and Deputy Chairman of the Board of Trustees of Singapore Management University, where he chairs the Finance and Remuneration Committee. He is active in providing consulting advice to government bodies and universities in the region on their globalisation strategies and governance standards.

Dr Niland has spent periods in management roles in the Australian steel industry and as CEO of the State Pollution Control Commission and Executive Chairman of the Environment Protection Authority.

Dr Niland brings significant and wide experience as a non-executive director. He is currently Chairman of the Centennial Park and Moore Park Trust and Chairman of Campus Living Funds Management Limited. In the past, Dr Niland has served on the Prime Minister's Science, Engineering and Innovation Council, the boards of realestate.com.au Limited, St Vincent's Hospital and the Sydney Olympic bid's Building Commission. He is the immediate past President of the National Trust of Australia (NSW).

Dr Niland, if re-elected, expects to continue to use the breadth of his experience in roles covering globalisation, environmental regulation, human resources and philanthropy as well as his extensive academic experience, to benefit the Board.

The Board unanimously recommends that shareholders vote in favour of Dr Niland's re-election.

**Mr Peter M Kirby, BEc (Rhodes), BEc (Hons) (Natal), MA (Manch), MBA (Wits)**

*Independent Voting Director since June 2003*

*He is 60 years of age*

The Board has significantly benefited from the depth and breadth of Mr Kirby's considerable business and management expertise gained over 30 years in a variety of roles.

Mr Kirby presided over CSR's transformation into one of the world's top ten building material groups over the five years from 1998 to March 2003, culminating in its successful demerger into two independent listed companies, Rinker Group Limited and CSR.

He was also a member of the Board of the Business Council of Australia from 2001 to 2003 and received the Centenary Medal in 2003.

Prior to joining CSR, Mr Kirby was with the Imperial Chemical Industries PLC group ("ICI") for 25 years in a variety of senior management positions around the world, including Chairman/CEO of ICI Paints, responsible for the group's coatings businesses worldwide, and a member of the Executive Board of ICI PLC, with responsibility for ICI Americas and the western hemisphere.

Mr Kirby is also a Director of Orica Limited and the Beacon Foundation and is a former Chairman of Medibank Private Limited.

If re-elected, Mr Kirby looks forward to continuing to make significant contributions to the Board based on his extensive operating experience.

The Board unanimously recommends that shareholders vote in favour of Mr Kirby's re-election.

## EXPLANATORY NOTES ON ITEMS OF BUSINESS (CONTINUED)

### Item 6: Election of Voting Director Appointed since the Last General Meeting

Mr Nicholas Moore, having been appointed by the Board in May 2008 as a Voting Director, offers himself for election.

#### Mr Nicholas W Moore, BCom LLB (UNSW), FCA

*Executive Voting Director since May 2008*

*He is 49 years of age*

Mr Moore joined Macquarie's Corporate Services Division in 1986. He led a range of transactions, including Hills Motorway, which led the development of Macquarie's infrastructure business. In 1996, Mr Moore was appointed Head of the Project and Structured Finance Division. In 1998 he was appointed Head of the Asset and Infrastructure Group and then Head of the Capital Markets Group (predecessor to Macquarie Capital) on its inception in 2001. In this role, he oversaw significant growth in Macquarie Capital's net income through the global growth of the advisory, fund management, financing and securities businesses. He was previously a Director of Macquarie Infrastructure Group, Macquarie Airports, Macquarie Communications Infrastructure Group, Macquarie Capital Alliance Group and Macquarie Media Group. In May 2008, Mr Moore became Chief Executive Officer and Managing Director of Macquarie Group Limited.

The Board unanimously recommends that shareholders vote in favour of Mr Moore's election.

### Item 7: Proposed Changes to the Constitution

On 2 November 2007, the Bank announced the lodgement of the order of the Federal Court of Australia approving the restructure of the Bank with the Australian Securities & Investments Commission, giving effect to the court order. Following the change of the Bank's status from an equity-listing to a debt-listing under the ASX Listing Rules ("Listing Rules") upon the implementation of the restructure, a full review of the Bank's Constitution has been undertaken to bring it into line with the Listing Rules as they apply to the Bank as a debt-listed entity. As most of the proposed changes merely reflect the application of the Listing Rules to the Bank as a debt-listed entity, the Bank believes that they will not have a significant impact on shareholders including holders of Macquarie Income Securities. As a consequence of these proposed changes, the cross-referencing of Articles is proposed to be updated.

The more significant of the proposed changes are:

- **No requirement for consistency with the Listing Rules (Article 2(3))**

It is proposed to remove the requirement that the Bank's Constitution be interpreted subject to, and comply with, the Listing Rules as this requirement no longer applies.

- **Quorum at general meetings (Article 35(2))**

It is proposed that the quorum will be amended to be either five members of the Bank entitled to vote, or one or more members of the Bank with at least 50% of the votes that may be cast at the meeting, personally present or represented.

- **Non-Voting Shares (Article 42(2))**

It is proposed to delete Article 42(2) relating to certain "Non-Voting Shares" in its entirety as there are no longer any such shares.

- **Nomination and election of Voting Directors (Articles 49, 50(2), 51)**

It is proposed to delete the provisions in the Bank's Constitution relating to the nomination and retirement by rotation of Voting Directors. The appointment of Voting Directors will be by a resolution of the Voting Directors or the Company in general meeting.

- **Notices (Article 88)**

The proposed changes to Article 88 of the Bank's Constitution are intended to modernise them. Notices sent by post will be deemed to be received by members the day after the date of its posting.

- **Indemnity and insurance (Article 91)**

The proposed changes to Article 91 of the Bank's Constitution are intended to simplify the provisions and bring them into line with Article 19 of Macquarie Group Limited's Constitution.

They include provisions for officers of the Bank and wholly owned subsidiaries to be indemnified against costs for legal advice on certain types of issues and replacing the current specific exceptions to the indemnity by a general exception that applies where the giving of the indemnity would be forbidden or void by law.

- **Restricted securities (Article 92)**

It is proposed to delete Article 92 in its entirety as it no longer applies.

- **Small holding (Article 93)**

It is proposed to delete Article 93 in its entirety as it no longer applies.

A copy of the proposed amended Constitution (showing the proposed changes to the current Constitution in mark up) is available for inspection by contacting Macquarie's Investor Relations department on (02) 8232 5006 to request a hard copy.

*The Board unanimously recommends that shareholders vote in favour of approving the proposed changes to the Bank's Constitution as a special resolution.*

### Definitions

In these Explanatory Notes on Items of Business the terms "Executive Voting Director" and "Voting Director" have the meaning given in the Bank's Constitution. The Voting Directors as at the date of the Notice of Meeting are: David S Clarke, Laurence G Cox, Peter M Kirby, Catherine B Livingstone, H Kevin McCann, Nicholas W Moore, John R Niland, Helen M Nugent, W Richard Sheppard and Peter H Warne.

