

Notice of 2011 Annual General Meeting

MACQUARIE BANK LIMITED
ACN 008 583 542



MACQUARIE
BANK

After the Macquarie Group Limited 2011 Annual General Meeting
but not earlier than 2:00 pm on Thursday, 28 July 2011
Level 3, No.1 Martin Place
Sydney, New South Wales

Macquarie Bank Limited

ABN 46 008 583 542

No.1 Martin Place
Sydney NSW 2000
GPO Box 4294
Sydney NSW 1164
AUSTRALIA

Telephone (61 2) 8232 3333
Facsimile (61 2) 8232 4330
Internet www.macquarie.com.au



13 June 2011

Dear Securityholder

Please find enclosed notice of the 2011 Annual General Meeting of Macquarie Bank Limited (Macquarie Bank) which will be held at Level 3, No.1 Martin Place, Sydney, New South Wales on Thursday, 28 July 2011, 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 Macquarie Bank's Constitution.

You are referred to Macquarie Bank's 2011 Annual Report, available on Macquarie's website at www.macquarie.com.au

Holders of Macquarie Income Securities may attend the Annual General Meeting but are not entitled to vote on any of the proposed resolutions. Holders may also attend the Macquarie Group Limited Annual General Meeting in the Grand Ballroom, Hilton Sydney, 488 George Street, Sydney, New South Wales at 10:30 am on the same date.

Yours faithfully



H Kevin McCann, AM
Chairman

Notice of Meeting

The 2011 Annual General Meeting of Macquarie Bank Limited (ACN 008 583 542) (Macquarie Bank, the Company), will be held at Level 3, No.1 Martin Place, Sydney, New South Wales on Thursday, 28 July 2011 following the Macquarie Group Limited (Macquarie) Annual General Meeting on the same date, but not earlier than 2:00 pm. Registration will open at 1:30 pm.

Ordinary Business

1 Financial Statements

To consider and receive the Financial Report, the Directors' Report and the Auditor's Report of Macquarie Bank for the year ended 31 March 2011.

2 Remuneration Report

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

To adopt the Remuneration Report of Macquarie Bank for the year ended 31 March 2011.

Special Business

3 Amendments to Constitution

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 Company be modified by making the amendments contained in the amended Constitution tabled at the meeting and signed by the Chairman of the meeting for the purpose of identification.

By order of the Board



Dennis Leong
Company Secretary
Sydney
13 June 2011

Notice of Meeting

continued

Notes

Macquarie Bank is a subsidiary of Macquarie. The following notes are provided for the ordinary shareholder(s) of Macquarie 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 Macquarie Bank's share registry, Computershare Investor Services Pty Limited, at GPO Box 242, Melbourne, VIC, 3001 (facsimile number within Australia 1800 783 447 or from outside Australia +61 3 9473 2555) or at Level 4, 60 Carrington Street, Sydney, NSW, 2000 or at Macquarie Bank's registered office in the ACT, by no later than 6:00 pm (Sydney time) on Tuesday, 26 July 2011. Any revocations of proxies must be received at one of these places before the commencement of the meeting, or at the registration desk at Level 3, No.1 Martin Place for the 2011 Annual General Meeting from 1:30 pm 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 Macquarie Bank's ordinary shares for the purposes of the meeting, will be those registered holders of Macquarie Bank's ordinary shares at 7:00 pm (Sydney time) on Tuesday, 26 July 2011.

4 Voting at the Meeting

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

5 Definitions

The terms 'Voting Director', 'Executive Voting Director' and 'Non-Executive Voting Director' used here and in the Explanatory Notes on Items of Business accompanying this Notice of Meeting have the meaning given in Macquarie Bank's Constitution.

The Voting Directors as at the date of the Notice of Meeting are: H Kevin McCann, Diane J Grady, Michael J Hawker, Peter M Kirby, Catherine B Livingstone, Nicholas W Moore, John R Niland, Helen M Nugent, W Richard Sheppard and Peter H Warne. Mr Moore and Mr Sheppard are the only Executive Voting Directors.

Item 1 – Financial Statements

As required by section 317 of the *Corporations Act 2001 (Cth)* (Corporations Act), the Financial Report, Directors' Report and Auditor's Report of Macquarie Bank Limited (Macquarie Bank) for the most recent financial year will be laid before the meeting.

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

The reports are available on Macquarie's website at www.macquarie.com.au/mbi-annualreport

Item 2 – Remuneration Report

As required by section 250R(2) of the Corporations Act, a resolution that Macquarie Bank's Remuneration Report be adopted must be put to the vote. The Remuneration Report is contained within the Directors' Report in Macquarie Bank's 2011 Annual Report on pages 8 to 40.

Currently, section 250R(3) of the Corporations Act provides that the vote on the resolution is advisory. The Federal Government has proposed amendments to the Corporations Act to take effect on 1 July 2011, whereby if a company's remuneration report receives a 'no' vote of 25 per cent or more at two consecutive annual general meetings, a resolution must then be put to shareholders at the second annual general meeting as to whether another meeting should be held within 90 days at which all directors (other than the managing director) who were in office at the date of approval of the relevant directors' report must stand for re-election.

At the date of this Notice of Meeting, the amendments have yet to be passed into law and it is not known if or when the

amendments may take effect or if they may take effect in a modified form.

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

Item 3 – Amendments to Constitution

This is a special resolution proposing amendments to Macquarie Bank's Constitution (Constitution).

In 2007, Macquarie Group was restructured into a non-operating holding company structure, with Macquarie Group Limited (Macquarie) acting as the new ASX-listed parent, and Macquarie Bank becoming a subsidiary of Macquarie. The amendments to the Constitution contemplated by this resolution are being proposed in order to:

- update the Constitution to include common provisions providing additional flexibility or reflecting recent changes in law or practice
- align the Constitution with Macquarie's constitution
- update terms and references contained in the Constitution.

Summary of key changes

Procedures for Members' Meetings

Direct voting (Proposed Article 8.13)

A new provision is to be included which provides that the Voting Directors may authorise and regulate direct voting, that is voting by post, fax or electronic means, on resolutions to be put to general or class meetings.

Calculating notice period for a general meeting (Proposed Article 8.4)

A new provision is proposed which will provide that when Macquarie Bank is determining the notice period for a general meeting the day

Explanatory Notes on Items of Business

continued

the notice is taken to be given and the day of the meeting are not to be included when calculating the notice period. This change will provide certainty when determining the required notice period.

Directors of Macquarie Bank

Appointment of Chairman at general meeting and a meeting of Voting Directors (Proposed Articles 9.8 and 12.7)

Currently the Constitution only provides for a Chairman to be appointed by the Voting Directors. An additional provision is to be inserted to provide for the appointment of a temporary Chairman by the Voting Directors if the Chairman is absent from a meeting of Voting Directors or by members if the Chairman and all Voting Directors are absent from a meeting of members.

Voting Directors to be fit and proper persons (Proposed Article 10.3)

We have included a new provision requiring that Voting Directors provide information to the Board to enable an assessment of their fitness and propriety to act. A person is only eligible for appointment and to remain as a Voting Director if they are assessed by the Board as satisfying the Fit and Proper Policy adopted by the Board. This is consistent with the requirements of the Australian Prudential Regulation Authority (APRA).

Vacation of office on cessation of employment (Proposed Article 10.12(i))

Currently, Non-Voting Directors vacate their office if they cease to be an employee of Macquarie Bank or a subsidiary of Macquarie Bank. This is to be extended so that a Non-Voting Director will only cease to hold office if they cease to be an employee of any Macquarie Bank related entity. This will ensure that this Article operates in the same way as it did prior to the 2007 non-operating holding company restructure.

Voting Directors may appoint a proxy (Proposed Article 12.18)

A new provision has been included to provide that Voting Directors may appoint another Voting Director to act as their proxy to participate in directors' meetings and vote on their behalf.

Voting Directors to act in an emergency (Proposed Article 12.20)

Currently, if vacancies mean that the number of Voting Directors is less than a quorum for a meeting of the Voting Directors, the remaining Voting Directors can only act for the purposes of appointing new Voting Directors. To align this provision to Macquarie's constitution, the proposed amendment will allow the remaining Voting Directors to also act in an emergency.

Other interests of Directors (Proposed Article 10.11)

A new provision is to be included which provides that, subject to complying with the Corporations Act, a Director may:

- participate in any association, institution, fund, trust or scheme for past or present employees of the Company or related persons
- act in any professional capacity for the Company, except as auditor
- in the case of a Voting Director, participate in, vote on and be counted in a quorum for any meeting, resolution or decision of the Directors and may be present at any meeting where any matter is being considered by the Directors
- sign or participate in the execution of a document by or on behalf of the Company.

Distributions of dividends and capital

Payment of Dividends (Proposed Article 16)

There has recently been an amendment to the Corporations Act restrictions on the payment of dividends by companies. The *Corporations Amendment (Corporate Reporting Reform) Act 2010* (Cth) replaced the requirement that dividends be paid out of profits with a new test which includes balance sheet solvency. Amendments are proposed to the Company's Constitution to ensure consistency with the Corporations Act as amended.

Distributions on winding-up (Proposed Article 19)

A new provision is to be inserted which will clarify that the provisions governing the distribution of property on a winding-up do not prejudice or affect the rights of members holding shares that have been issued on special terms. This change aligns the winding-up provisions with the equivalent provisions in Macquarie's constitution and will enable differential treatment on a winding-up for preference or other classes of shares.

A copy of the proposed amended Constitution showing the proposed changes in mark up can be viewed prior to the meeting on Macquarie's website or by contacting Macquarie's Investor Relations department. A copy of the marked up Constitution will also be available for inspection at the meeting.

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

