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Notice of 2014 Annual General Meeting

Macquarie Group Limited

10:30 am on Thursday, 24 July 2014

Sheraton on the Park
Grand Ballroom
161 Elizabeth Street
Sydney, New South Wales

Macquarie Group Limited
ABN 94 122 169 279

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5 June 2014



Dear Shareholder

Please find enclosed notice of the 2014 Annual General Meeting of Macquarie Group Limited (Macquarie) which will be held at the Sheraton on the Park, Grand Ballroom, 161 Elizabeth Street, Sydney NSW on Thursday, 24 July 2014. The meeting is scheduled to commence at 10:30 am and will also be webcast live on Macquarie's website at www.macquarie.com.au.

The Managing Director and Chief Executive Officer, Nicholas Moore, and I will comment briefly on the performance of the Macquarie Group during the year to 31 March 2014 at the meeting. You are also referred to the comments in Macquarie's 2014 Annual Review and 2014 Annual Financial Report, which are available on Macquarie's website and together comprise the 2014 Annual Report, for further information.

If you are unable to attend the meeting, we invite you to appoint a proxy to attend and vote on your behalf, either online using the share registry's website at www.investorvote.com.au or using the enclosed proxy form.

Shareholders are invited to join the Board for light refreshments at the conclusion of the meeting.

If you plan to attend the meeting, please bring the enclosed proxy form to facilitate your registration which will commence at 9:30 am. I look forward to seeing you then.

Yours faithfully

H Kevin McCann AM
Chairman

Notice of Meeting

The 2014 Annual General Meeting (AGM) of Macquarie Group Limited (ACN 122 169 279) (Macquarie, the Company) will be held at the Sheraton on the Park, Grand Ballroom, 161 Elizabeth Street, Sydney NSW on Thursday, 24 July 2014, at 10:30 am. Registration will commence 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 Macquarie for the financial year ended 31 March 2014.

2 Re-election of Mr HK McCann as a Voting Director Retiring by Rotation

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

That Mr HK McCann be re-elected as a Voting Director of Macquarie.

3 Re-election of Ms DJ Grady as a Voting Director Retiring by Rotation

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

That Ms DJ Grady be re-elected as a Voting Director of Macquarie.

4 Election of Mr GR Banks as a Voting Director

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

That Mr GR Banks, having been appointed as a Voting Director since the last Annual General Meeting, be elected as a Voting Director of Macquarie.

5 Election of Mrs PA Cross as a Voting Director

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

That Mrs PA Cross, having been appointed as a Voting Director since the last Annual General Meeting, be elected as a Voting Director of Macquarie.

6 Election of Ms NM Wakefield Evans as a Voting Director

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

That Ms NM Wakefield Evans, having been appointed as a Voting Director since the last Annual General Meeting, be elected as a Voting Director of Macquarie.

7 Remuneration Report

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

To adopt the Remuneration Report of Macquarie for the year ended 31 March 2014.

Special Business

8 Approval of Executive Voting Director's participation in the Macquarie Group Employee Retained Equity Plan (MEREP)

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

That the following be approved for all purposes:

- a) *participation in the Macquarie Group Employee Retained Equity Plan (MEREP) by Mr NW Moore, Managing Director and Chief Executive Officer; and*
- b) *acquisition by Mr NW Moore of Restricted Share Units and Performance Share Units and the acquisition of shares in the Company in respect of those Restricted Share Units and Performance Share Units, all in accordance with the terms of the MEREP and on the basis described in the Explanatory Notes to the Notice of Meeting convening this meeting.*

Notice of Meeting

continued

Voting Exclusion Statement

Item 7 – Remuneration Report

A vote on Item 7 must not be cast (in any capacity) by, or on behalf of:

- a) a member or a former member of the key management personnel (KMP) whose remuneration details are disclosed in Macquarie's 2014 Remuneration Report; or
- b) a closely related party of such a KMP,

unless the vote is cast by a person as proxy for a person entitled to vote in accordance with a direction on the proxy form. A closely related party includes close family members and companies the KMP controls.

Item 8 – Approval of Executive Voting Director's participation in the Macquarie Group Employee Retained Equity Plan (MEREP)

Macquarie will disregard any votes cast on Item 8 by the Managing Director and any associate of the Managing Director.

However, Macquarie need not disregard a vote on Item 8 if:

- a) it is cast by the Managing Director or any associate of the Managing Director as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- b) it is cast by the Managing Director who is chairing the meeting, as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

In addition, a vote must not be cast on Item 8 by a member of the KMP of Macquarie, or a closely related party of a KMP, acting as proxy, if their appointment does not specify the way the proxy is to vote on Item 8.

Proxy Voting by Chairman

The Chairman of the Meeting will vote undirected proxies in favour of all Items. The voting exclusions on KMP in Items 7 and 8 do not apply to the Chairman of the Meeting acting as proxy if their appointment expressly authorises the Chairman of the Meeting to exercise the proxy even if that item is connected directly or indirectly with the remuneration of a KMP of Macquarie.

By order of the Board



Dennis Leong
Company Secretary
Sydney, 5 June 2014

Notes

1 Proxies

If you cannot attend, you may appoint a proxy to attend and vote for you. If you are entitled to cast two or more votes, you may nominate two persons to vote on your behalf at the meeting. If two proxies are appointed, each proxy may be appointed to represent a specified number or proportion of your votes. Fractions of votes will be disregarded. If no such number or proportion is specified, each proxy may exercise half your votes. For shareholders receiving the Notice of Meeting by post, a proxy form and a reply paid envelope have been included with this Notice of Meeting. Proxy voting instructions are provided on the proxy form.

A proxy need not be a shareholder. Votes may be cast 'For' or 'Against' or you may 'Abstain' from voting on a resolution. If you wish to direct a proxy how to vote on any resolution, place a mark (e.g. a cross) in the appropriate box on the proxy form and your votes may only be exercised in that manner. You may split your voting direction by inserting the number of shares or percentage of shares that you wish to vote in the appropriate box. If you place a mark in the 'Abstain' box, your votes will not be counted in computing the required majority on a poll.

2 Online Proxy Facility

You may also submit your proxy appointment online at www.investorvote.com.au

To use this online proxy facility, you will need to enter your Shareholder Reference Number (SRN) or Holder Identification Number (HIN), postcode and Control Number, as shown on your proxy form. You will be taken to have signed the proxy form if you lodge it in accordance with the instructions on the website. If you wish to use this facility, you must submit your proxy appointment through the facility by **no later than 10:30 am (Sydney time) on Tuesday, 22 July 2014**. A proxy cannot be appointed online if they are appointed under a power of attorney or similar authority. The online proxy facility may not be suitable for some shareholders who wish to split their votes on an item of business or appoint two proxies with different voting directions. Please read the instructions for the online proxy facility carefully before you submit your proxy appointment using this facility. If you are a custodian and an Intermediary Online subscriber, you can log on to www.intermediaryonline.com

3 Proxy Delivery

Proxies given by post, fax or delivery must be received by Macquarie'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's registered office in Sydney, by **no later than 10:30 am (Sydney time) on Tuesday, 22 July 2014**. Any revocations of proxies (including online proxy appointments) must be received at one of these places before the commencement of the meeting, or at the registration desk at the Sheraton on the Park, Sydney for the 2014 Annual General Meeting from 9:30 am on the day of the meeting and no later than the commencement of the meeting.

4 Power of Attorney

If a shareholder has appointed an attorney to attend and vote at the meeting, or if the proxy is signed by an attorney, the power of attorney (or a certified copy of the power of attorney) must be received by Macquarie's share registry, Computershare Investor Services Pty Limited, at the addresses or facsimile number in Note 3 above, or at Macquarie's registered office in Sydney, by **no later than 10:30 am (Sydney time) on Tuesday, 22 July 2014**, unless the power of attorney has been previously lodged with Macquarie's share registry for notation.

Notice of Meeting

continued

5 Corporate Representatives

If a corporate shareholder wishes to appoint a person to act as its representative at the meeting, that person should be provided with a letter or certificate authorising him or her as the company's representative (executed in accordance with the company's constitution) or with a copy of the resolution appointing the representative, certified by a secretary or director of the company. A form of appointment of corporate representative may be obtained from Macquarie's share registry.

6 Shareholders Eligible to Vote

Pursuant to regulation 7.11.37 of the *Corporations Regulations 2001 (Cth)*, the holders of Macquarie's ordinary shares for the purposes of the meeting, will be those registered holders of Macquarie's ordinary shares at **7:00 pm (Sydney time) on Tuesday, 22 July 2014**.

7 Voting at the Meeting

In light of the large number of proxy votes which have been received from shareholders at previous meetings, 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.

8 Definitions

The terms 'Voting Director' and 'Executive Voting Director' have the meanings given in Macquarie's Constitution.

The Voting Directors as at the date of the Notice of Meeting are: H Kevin McCann, Gary R Banks, Michael J Coleman, Patricia A Cross, Diane J Grady, Michael J Hawker, Peter M Kirby, Nicholas W Moore, Helen M Nugent, Nicola M Wakefield Evans and Peter H Warne. Mr Moore is the only Executive Voting Director.

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 Group Limited (Macquarie) and its subsidiaries (Macquarie Group) for the most recent financial year will be laid before the meeting.

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

Shareholders will be provided with the opportunity to ask questions about, or make comments on, the reports, management or about Macquarie Group generally but there will be no formal resolution put to the meeting. PricewaterhouseCoopers, Macquarie's external auditor, will attend the AGM and there will be a reasonable opportunity for members as a whole to ask questions relevant to the audit.

Items 2 and 3 – Re-election of Voting Directors

Voting Directors, Mr H Kevin McCann, Ms Diane J Grady, Mr Peter M Kirby, and Dr Helen M Nugent, retire by rotation.

Mr McCann and Ms Grady offer themselves for re-election. A brief summary of their qualifications and experience is provided below.

Dr Nugent and Mr Kirby have notified the Board that, having reached Macquarie's tenure limit, they will not be seeking re-election and will retire as Directors of Macquarie at the end of this AGM.

Dr Nugent has been an Independent Voting Director of Macquarie since August 2007 and Macquarie Bank since June 1999. Dr Nugent's depth of banking and strategic expertise has been invaluable to the Board, as has her role as Chairman of the Board Remuneration Committee since its inception in 2001. Dr Nugent's deep knowledge of Macquarie and of remuneration best practice has helped shape the policies and structures that have been integral to Macquarie's success. The Board would like to thank Dr Nugent for her important contribution and commitment to the Group over the past fifteen years.

Mr Kirby has been an Independent Voting Director of Macquarie since August 2007 and Macquarie Bank since June 2003. Mr Kirby's international and Australian business, industry and management expertise has been of significant benefit to the Board and Board Committees on which he has served. In particular, the Board has valued Mr Kirby's input on strategic, operational and workplace matters. The Board would like to thank Mr Kirby for the benefit which his insights have brought to the Board.

2 Re-election of Mr HK McCann as a Voting Director Retiring by Rotation

H Kevin McCann AM, BA LLB (Hons)(Syd), LLM (Harv), FAICD (age 73)

Independent Chairman since March 2011

Chairman – Board Nominating Committee

Member – Board Risk Committee

Kevin McCann joined the Board of Macquarie as an Independent Voting Director in August 2007. Mr McCann was appointed as an Independent Voting Director of Macquarie Bank in December 1996 and continues to hold this position. He was appointed Chairman of the Macquarie and Macquarie Bank Boards in March 2011.

Mr McCann, who has served on the Board for a period of time that exceeds Macquarie's current tenure limit, had intended to retire from the Board at this year's AGM.

In the last twelve months there has been significant renewal of the Macquarie Board. Four long serving directors have or will have retired, namely Catherine Livingstone following the 2013 AGM, John Niland on 31 December 2013 and Helen Nugent and Peter Kirby at the end of this year's AGM. In addition three new Independent Voting Directors have been appointed - Gary Banks and Patricia Cross in August 2013 and Nicola Wakefield Evans in February 2014. In view of this significant turnover, the Board requested Mr McCann remain as Chairman of Macquarie and seek re-election for a further term at the AGM, in order to facilitate the smooth transition of the Board's renewal process.

Explanatory Notes on Items of Business

continued

Mr McCann has a deep understanding of Macquarie's remuneration structure, which has been a significant contributor to the success of the Group over many years, as well as its global operations.

Mr McCann was a Partner and Chairman of Allens Arthur Robinson, a leading firm of Australian lawyers from 1970 to 2004 practising commercial and resources law. He has also been Chairman of a number of successful Australian corporations including Orign Energy Limited, Healthscope Limited and ING Management Limited.

In addition his community activities include Fellow of the Senate of the University of Sydney, Vice Chairman of the New Colombo Plan Steering Group, a Member of the Australian Treasury Advisory Council and Chairman of the National Library of Australia Foundation. As a former Chairman (and present member) of the AICD Corporate Governance Committee, he is experienced in global corporate governance requirements.

Prior to submitting himself for re-election, Mr McCann acknowledged to Macquarie that he would continue to have sufficient time to properly fulfill his duties as Chairman.

In accordance with Macquarie's policy on independence for non-executive directors, the Board has determined that Mr McCann remains independent and that his length of tenure does not interfere with his ability to exercise independent judgement to provide an objective assessment of matters considered by the Board. Macquarie considers his independence is evidenced by his ability to constructively challenge and independently contribute to the work of the Board.

The Board unanimously recommends that shareholders vote in favour of Mr McCann's re-election as an Independent Voting Director.

3 Re-election of Ms DJ Grady as a Voting Director retiring by Rotation

Diane J Grady AM, BA (Mills), MA (Hawaii), MBA (Harv), FAICD (age 65)

Member – Board Governance and Compliance Committee

Member – Board Nominating Committee

Member – Board Remuneration Committee

Member – Board Risk Committee

Diane Grady joined the Boards of Macquarie and Macquarie Bank as an Independent Voting Director in May 2011.

Ms Grady has been a full time independent director of public companies and not-for-profit boards since 1994. She is currently a director of Spotless Group Holdings Limited, a member of the McKinsey Advisory Council, the NSW Innovation and Productivity Council and the Heads Over Heels Advisory Board. She is Chair of Ascham School and the Hunger Project Australia. Previously she was a Director of BlueScope Steel Limited, Woolworths Limited, Goodman Group, Wattyl Limited, Lend Lease US Office Trust, Lend Lease Limited, MLC and a Trustee of the Sydney Opera House. She was also President of Chief Executive Women and a member of the UTS Business School Advisory Board.

Ms Grady was formerly a partner at McKinsey & Company where she spent 15 years consulting to clients in a broad range of industries on strategic and operational issues. She was a worldwide leader of the firm's Organisation and Change Management Practice and the first woman outside the United States to be elected to McKinsey's global partnership. In Australia, she headed McKinsey's Consumer Goods, Retailing and Marketing Practice Group. Ms Grady was made a member of the Order of Australia in 2009 for her contribution to business and to the promotion of women leaders and in 2001 received a Centenary Medal for service to Australian society through business leadership.

Ms Grady's experience as a director of major listed Australian companies with international businesses and her background in strategy and operational issues has been of great benefit to Macquarie.

The Board unanimously recommends that shareholders vote in favour of Ms Grady's re-election as an Independent Voting Director.

Items 4 to 6 – Election of Voting Directors

Mr Gary R Banks, Mrs Patricia A Cross and Ms Nicola M Wakefield Evans, offer themselves for election as required by clause 9.2(b) of Macquarie's Constitution. A brief summary of their qualifications and experience is provided below.

4 Election of Mr GR Banks as a Voting Director

Gary R Banks AO, BEc (Hons) (Monash), MEc (ANU) (age 64)

Member – Board Nominating Committee

Member – Board Remuneration Committee

Member – Board Risk Committee

Gary Banks joined the Boards of Macquarie and Macquarie Bank as an Independent Voting Director in August 2013.

Mr Banks is Dean and Chief Executive Officer of the Australia and New Zealand School of Government (ANZSOG). He was Chairman of the Australian Productivity Commission from its inception in 1998 until 2012. He is a Professorial Fellow at the University of Melbourne and Adjunct Professor at the Australian National University. Mr Banks currently chairs the Regulatory Policy Committee of the Organisation for Economic Co-operation and Development (OECD) and is a member of the Advisory Board of the Melbourne Institute and the Prime Minister's Business Advisory Council.

Mr Banks was previously a Senior Economist with the GATT Secretariat in Geneva, Visiting Fellow at the Trade Policy Research Centre in London, Projects Director with the Centre for International Economics in Canberra and has been a consultant to the World Bank, OECD and World Trade Organisation. He chaired the Regulation Taskforce in 2006 and the Infrastructure Stream at the Prime Minister's 2020 Summit. Mr Banks is a recipient of the Centenary Medal and, in 2007, he was made an Officer in the Order of Australia for services to the development of public policy.

Mr Banks's appointment has enhanced the Board's skill set with his deep experience across economics, public policy and regulation in Australia and internationally.

The Board unanimously recommends that shareholders vote in favour of Mr Banks's election as an Independent Voting Director.

5 Election of Mrs PA Cross as a Voting Director

Patricia A Cross, BSc (Hons) (Georgetown), FAICD (age 55)

Chairman – Board Risk Committee

Member – Board Audit Committee

Member – Board Nominating Committee

Member – Board Remuneration Committee

Patricia Cross joined the Boards of Macquarie and Macquarie Bank as an Independent Voting Director in August 2013.

Mrs Cross is currently a director of Aviva plc and a founding director of the Grattan Institute. She is also an Australian Indigenous Education Foundation ambassador. Mrs Cross has extensive international financial and banking experience through senior executive roles with Chase Manhattan Bank and Chase Investment Bank, Banque Nationale de Paris and National Australia Bank. At National Australia Bank, Mrs Cross was responsible for the Wholesale Banking and Finance Division and was a member of the Executive Committee. Previously she was a Director of Qantas Airways Limited, National Australia Bank Limited, JBWere Limited, Wesfarmers Limited, AMP Limited, Suncorp-Metway Limited, Chairman of Qantas Superannuation Limited and Deputy Chairman of the Transport Accident Commission of Victoria.

Explanatory Notes on Items of Business

continued

Mrs Cross has held a number of honorary government positions, including five years as a founding member of the Financial Sector Advisory Council, APEC Business Advisory Council and as a member of the Panel of Experts to the Australia as a Financial Centre Forum. She has also served on a wide range of not-for-profit boards, including the Murdoch Childrens Research Institute. In 2001, Mrs Cross received the Australian Centenary Medal for service to Australian society through the finance industry.

Mrs Cross' extensive expertise in wholesale and retail banking, international capital markets, financial risk management and treasury as well as considerable experience as a company director of financial and wealth management corporations has added significant financial expertise to the Macquarie Board.

The Board unanimously recommends that shareholders vote in favour of Mrs Cross' election as an Independent Voting Director.

6 Election of Ms NM Wakefield Evans as a Voting Director

Nicola M Wakefield Evans, BJuris/BLaw (UNSW), MAICD (age 53)

Member – Board Audit Committee

Member – Board Governance and Compliance Committee

Member – Board Nominating Committee

Member – Board Risk Committee

Nicola Wakefield Evans joined the Boards of Macquarie and Macquarie Bank as an Independent Voting Director in February 2014.

Ms Wakefield Evans is currently a director of Lend Lease Corporation Limited, Toll Holdings Limited and BUPA Australia & New Zealand Group. She is also a member of the Advisory Board at the University of New South Wales Law School and a director of Asialink at the University of Melbourne. Ms Wakefield Evans has extensive experience as a corporate finance lawyer at King & Wood Mallesons (previously Mallesons Stephen Jaques), where she was a partner for over 20 years, including Managing Partner, Practice division (Sydney) from 2004 to 2007 and Managing Partner, International (Hong Kong) from 2007 to 2010.

Ms Wakefield Evans is a member of the Australian Institute of Company Directors, the International Bar Association and Chief Executive Women. She holds a Bachelor of Jurisprudence and Laws and is a qualified lawyer in Australia, Hong Kong and the United Kingdom. She was also included in the Australian Financial Review and Westpac Group's inaugural list of 'Australia's 100 Women of Influence'.

Ms Wakefield Evans' extensive Asia-Pacific experience as a corporate finance lawyer has added valuable expertise to the Macquarie Board.

The Board unanimously recommends that shareholders vote in favour of Ms Wakefield Evans' election as an Independent Voting Director.

Item 7 – Remuneration Report

As required by section 250R(2) of the *Corporations Act 2001(Cth)* (the Act), a resolution that Macquarie's Remuneration Report be adopted must be put to the vote.

Section 250R(3) of the Act provides that the vote on the resolution is advisory. However, if 25% or more of the votes are cast against two consecutive annual section 250R(2) resolutions, the Act requires a shareholder vote on whether to convene a special meeting at which all directors (other than a managing director) who were in office when the second 250R(2) resolution was passed must stand for re-election.

The Remuneration Report is contained within the Directors' Report in Macquarie's 2014 Annual Financial Report on pages 45 to 83. The Executive Summary is largely reproduced below.

Executive Summary

During the year, Macquarie's Board of Directors (the Board) and the Board Remuneration Committee (the BRC) have reviewed Macquarie's remuneration framework to ensure it continues to meet its overriding objective of generating superior shareholder returns, while having due regard for risk. In undertaking this assessment, the Directors of the Board (Directors) have considered factors including:

- the degree of alignment between staff and shareholders
- the evolving regulatory landscape
- market developments
- feedback from shareholders
- the employment environment and
- Macquarie's performance during the year and the performance of each business.

Directors have concluded that Macquarie's remuneration approach remains appropriate and creates a strong alignment of staff and shareholders' interests, while prudently managing risk.

They support this conclusion for the following reasons.

The objectives and framework remain appropriate.

The remuneration framework seeks to attract, motivate and retain high quality people, while aligning the interests of staff and shareholders. The framework, which works as an integrated whole rather than in isolation, is comprised of fixed remuneration, a profit share scheme, and for Macquarie's most senior executives, the Executive Committee, Performance Share Units (PSUs).

Fixed remuneration for senior staff remains relatively low relative to comparable roles in other organisations, although it is sufficient to avoid inappropriate risk-taking. Moreover, it is low as a proportion of overall remuneration. In 2014, fixed remuneration for Macquarie's 10 Executive Committee members comprised approximately 10 per cent of total remuneration. The balance remains at risk and is explicitly linked to performance.

Performance-based remuneration in the form of **profit share** is aligned with shareholders' interests. The profit share pool is determined annually using the twin measures of net profit after tax (NPAT) and return on ordinary equity (ROE), measures which are known to be drivers of returns to shareholders. A portion of Macquarie's profit earned accrues to the profit share pool. Once the cost of equity capital is met, an additional portion of excess profit is accrued to the profit share pool. The Non-Executive Directors have not exercised their discretion to make any adjustment to the quantum of the profit share pool for FY2014. Over time, the net aggregate impact on net profit of the exercise of these discretions has been nominal.

Profit share is allocated to Macquarie's businesses and, in turn, to individuals, based predominantly on performance. Performance criteria vary depending on an individual's role including:

- contribution to NPAT and ROE
- risk management and compliance assessed through independent reports from the Chief Risk Officer (CRO), the Chief Financial Officer (CFO) and Human Resources (HR)
- people leadership
- upholding Macquarie's *Goals and Values*.

The Board also seeks to ensure that remuneration for staff whose primary role is risk and financial control, including the CRO and the CFO, preserves the independence of the function and maintains Macquarie's robust risk management framework.

Performance-based remuneration is delivered in ways that encourage a longer-term perspective and ensure alignment with shareholders' longer-term interests and staff retention. In turn, this encourages staff to maximise profit without exposing Macquarie to risk or behaviours that jeopardise long-term profitability or reputation. To achieve this outcome, a significant portion of performance-based remuneration is:

- retained and deferred over a long period (for example, the standard retention rate for the Managing Director and Chief Executive Officer's (CEO) profit share allocation is 70 per cent, retained for up to seven years). After PSUs and other deferrals are taken into account, the effective deferral rate for the CEO is 79 per cent for this year
- delivered in equity
- subject to forfeiture in certain circumstances.

Explanatory Notes on Items of Business

continued

This year, the Non-Executive Directors have exercised their discretion in relation to certain employees, to amend their retention rates to reflect specific business and market conditions, taking into account both the percentage retained as well as the period for which it is retained.

Performance-based remuneration in the form of **PSUs** are allocated to Executive Committee members based on their performance, using criteria similar to those used for profit share. PSUs vest in equal tranches after three and four years and are exercisable subject to the achievement of two performance hurdles, with no retesting. 50 per cent of the PSUs will become exercisable based on Macquarie's ROE performance relative to a group of global investment banks based on a sliding scale. 50 per cent will become exercisable above the 50th percentile and 100 per cent at the 75th percentile. The other 50 per cent of PSUs will become exercisable in the future based on Macquarie's compound annual growth (CAGR) in earnings per share (EPS) on a sliding scale. 50 per cent will become exercisable where EPS CAGR is 7.5 per cent and 100 per cent will become exercisable where it is 12 per cent or higher.

Other conditions apply that seek to align staff and shareholder interests, while prudently managing risk. All Executive Directors are subject to a minimum shareholding requirement which can be satisfied through the delivery of equity under the current remuneration arrangements. This aligns shareholder and staff interests and provides the strongest incentive to staff to strive continuously to maximise long-term profitability and shareholder returns.

Macquarie prohibits staff from hedging any of the following types of securities:

- shares held to satisfy the minimum shareholding requirement
- deferred and unvested awards to be delivered under the equity plan, the Macquarie Group Employee Retained Equity Plan (MEREP), including PSUs
- unvested options (under a previous scheme).

Staff can only trade Macquarie ordinary shares and other securities during designated trading windows.

Remuneration outcomes are aligned to business results and shareholder returns.

Macquarie has delivered strong financial results for shareholders while appropriately managing remuneration for staff. Directors are of the view that the remuneration outcomes for senior executives are appropriately aligned to their businesses' performance, Macquarie's performance and the interests of shareholders.

While NPAT, EPS and dividends have all significantly increased compared to FY2013, total compensation does not reflect the same rate of growth. The compensation expense to income ratio has declined from 46.1 per cent to 43.1 per cent, placing it in the lower half of peers.

To demonstrate the link between pay and performance, a comparison of performance measures and executive remuneration outcomes allows shareholders to see how the remuneration for Executive KMP is aligned with performance. Whilst remuneration outcomes for Executive KMP varied according to their individual performance and the performance of their business, the analysis shows that for both the CEO and Comparable KMP⁽¹⁾, remuneration, both including and excluding earnings on retained profit share amounts, has not increased to the same extent as NPAT, EPS, TSR and total dividends. This reflects the way performance takes a range of factors into consideration.

⁽¹⁾ Comparable KMP are Executive KMP who were members of the Executive Committee for the full year in both FY2014 and FY2013.

		2014	2013	Increase/(Decrease)%
Performance measures				
NPAT	\$Am	1,265	851	49
Basic EPS	Cents per share	383.6	251.2	53
Ordinary dividends	Cents per share	260.0	200.0	30
Total dividends ⁽¹⁾	Cents per share	376.0	200.0	88
Annual TSR ⁽²⁾	Per cent	66.0	34.4	
Executive remuneration measures				
Total Compensation Expense	\$Am	3,505	3,072	14
Compensation Expense to Income ratio	Per cent	43.1	46.1	
Statutory Remuneration – CEO	\$Am	13.08	8.82	48
Statutory Remuneration less earnings on restricted profit share ⁽³⁾ – CEO	\$Am	11.72	8.07	45
Statutory Remuneration – Comparable KMP	\$Am	72.77	52.76	38
Statutory Remuneration less earnings on restricted profit share – Comparable KMP	\$Am	64.66	48.12	34

(1) Includes the special dividend component of 116 cents per share in relation to the SYD Distribution in January 2014.

(2) TSR represents the accumulated share price return when all cash dividends are reinvested at the ex-dividend date.

(3) Earnings on restricted profit share reflect the investment performance of the assets in the Macquarie-managed funds in which prior year retained profit share been notionally invested.

Strong remuneration governance continues to be exercised.

The Board and the BRC remain committed to strong remuneration governance structures and processes. Conflicts of interest are managed proactively and assiduously. The BRC makes recommendations to the Non-Executive Directors on key decisions.

An independent remuneration review has also been obtained from an independent consultant, Pay Governance, to provide an opinion on the appropriateness of Macquarie's remuneration arrangements. Pay Governance has provided its report free from management influence and has confirmed that Macquarie's remuneration approach remains appropriate.

Non-Executive Director fees take into account market rates for relevant Australian financial organisations and reflect the time commitment and responsibilities involved within the shareholder approved aggregate limit.

In summary, the overall approach to remuneration supports the overarching objective of delivering superior value for shareholders over the long-term while prudently managing risk.

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

Explanatory Notes on Items of Business

continued

Item 8 – Approval of Executive Voting Director's Participation in the Macquarie Group Employee Retained Equity Plan (MEREP)

The approval of shareholders is sought to permit Nicholas Moore, Macquarie's Managing Director and Chief Executive Officer, to participate this year, with other executives in the MEREP.

Background

This approval is being sought because ASX Listing Rule 10.14 provides that a listed company may only permit a director of the company to acquire newly issued shares or rights to shares under an employee incentive scheme where that director's participation has been approved by an ordinary resolution of shareholders.

The Managing Director is eligible to receive Restricted Share Units (RSUs) under the MEREP. The shares required for this grant will be acquired on-market by the trust established to hold shares for MEREP purposes. As no shares will be issued for these RSUs, shareholder approval is not required for the grant of RSUs to the Managing Director. However, consistent with Macquarie's commitment to good corporate governance it is providing shareholders with the opportunity to vote on the grant.

The Managing Director is also eligible to receive Performance Share Units (PSUs) that are exercisable subject to performance hurdles. Shareholder approval under ASX Listing Rule 10.14 is being sought so that PSUs may be issued to the Managing Director under the MEREP. Further information on PSUs and the performance hurdles can be found in Appendix A to these Explanatory Notes.

Restricted Share Units

Approval is sought to allocate \$6.98 million of the Managing Director's retained 2014 profit share under the MEREP, in the form of RSUs.

RSUs for which approval is sought will vest over seven years. In all other respects, the RSUs will be subject to the same terms and conditions as RSUs awarded to other Executive Directors with retained profit share allocated under the MEREP. Macquarie's 2014 Remuneration Report includes a summary of these terms and conditions.

The number of RSUs that will be allocated to the Managing Director will be determined by dividing his retained profit share amount to be invested in Macquarie shares (\$6.98 million) (Retained Amount) by the average price at which Macquarie shares are acquired on-market during the Buying Period for the allocation of MEREP awards to other staff with retained profit share for the financial year ended 31 March 2014. For 2014, the Buying Period is expected to run from 14 May 2014 to 30 June 2014, except during the pricing period for the Macquarie Dividend Reinvestment Plan (22 May 2014 to 3 June 2014), but may be completed sooner or later. The average price is referred to as the Acquisition Price. If shares are issued to fill any shortfall in the number of shares acquired in the Buying Period for concurrent MEREP offers to staff other than the Managing Director⁽¹⁾, the number of RSUs that will be allocated to the Managing Director will be determined by dividing his Retained Amount by the volume weighted average of the Acquisition Price in respect of any shares that are purchased and the price at which any shares are issued, which will be the volume weighted average price of Macquarie shares traded on the ASX over the 5 trading days up to and including the issue date (Issue Price).

This is consistent with the methodology used for calculating the number of MEREP awards for other staff with retained profit share for the financial year ended 31 March 2014. The number of RSUs to be allocated to the Managing Director will not be known until the Acquisition Price, the Issue Price and/or the volume weighted average of the Acquisition Price and the Issue Price (Blended Price) (as applicable) is calculated at the end of the Buying Period. Macquarie will announce to the market the Acquisition Price, the Issue Price and/or the Blended Price (as applicable) and the number of RSUs to be allocated to the Managing Director, prior to the date of the AGM.

Performance Share Units

Approval is sought to allocate Mr Moore \$2.98 million worth of PSUs vesting in two equal tranches after three and four years from the deemed vesting commencement date (1 July 2014), giving an average vesting period of three and a half years. To ensure continued alignment with shareholders post

⁽¹⁾ Shares may be issued if purchasing becomes impractical or inadvisable.

termination, in cases of genuine retirement, PSUs continue to vest in accordance with the above vesting schedule and remain subject to the same performance hurdles. The Board or its delegate has the authority to accelerate the vesting of, or to forfeit, PSUs when the Managing Director leaves Macquarie. The Managing Director's PSUs will be structured as Deferred Share Units (DSUs) with the performance hurdles described in Appendix A to these Explanatory Notes. A DSU is a right to receive on exercise of the DSU either a share held in the MEREP Trust (Trust) or a newly issued share (as determined by Macquarie in its absolute discretion) for no cash payment, subject to the vesting and forfeiture provisions of the MEREP.

The number of PSUs that will be allocated to the Managing Director will be calculated by dividing \$2.98 million by the fair valuation of a PSU at the date of grant. The maximum value of PSUs that may be acquired by the Managing Director is \$2.98 million. The determination of the number of PSUs to be allocated will be deferred until after shareholder approval is received. The fair value per PSU is to be calculated at the date of grant and will be determined using a Monte-Carlo option pricing framework. The Monte-Carlo option pricing framework is a valuation technique that, based on input assumptions, generates thousands of possible outcomes and assigns a value to each.

The values are then averaged and discounted to the present to arrive at the value of a PSU. This valuation methodology is also designed to take account of trading period restrictions and the vesting performance hurdles and timeframes described in Appendix A to these Explanatory Notes. The following key assumptions will be adopted in estimating the value of the proposed PSUs: a risk free interest rate⁽¹⁾, volatility⁽²⁾ and a forecast dividend yield. The market price of the Macquarie shares for the purpose of this calculation will be the closing market price preceding the date of grant, which is expected to be on or around 15 August 2014.

The table below provides an estimate of the number of PSUs to be granted at varying prices for Macquarie shares. The following assumptions were used in estimating these values: a risk free interest rate of 3.62 per cent per annum, volatility of 30.1 per cent and a forecast dividend yield of 5.03 per cent per annum (paid in two instalments each year).

Macquarie Share Price	Value of PSU Award	PSU Value (per unit)	PSUs to be granted
\$70	\$2,980,000	\$43.1560	69,051
\$65	\$2,980,000	\$40.0734	74,363
\$60	\$2,980,000	\$36.9909	80,560
\$55	\$2,980,000	\$33.9081	87,884
\$50	\$2,980,000	\$30.8274	96,667

Further details regarding PSUs are set out in section 1.3.6 of the Remuneration Report.

(1) Being the zero coupon yield curve derived from the inter-bank interest rate swap curve as per industry practice for a Monte-Carlo simulation.

(2) Being the actual three year historical volatility of the Macquarie share price.

Explanatory Notes on Items of Business

continued

Executive Voting Director's remuneration

Full details of the Managing Director's remuneration and Macquarie share and option holdings in respect of the 2014 financial year are shown in Notes 32 and 33 (Key Management Personnel disclosure and Employee equity participation) in the 2014 Annual Financial Report.

Maximum number of RSUs and PSUs

The maximum number of PSUs that may be acquired by the Managing Director for which shareholder approval is sought will be calculated by dividing the \$2.98 million by the fair value of a PSU on the date of grant, as described above. The maximum number of RSUs for which approval is sought will be announced to the market before the AGM, together with the Acquisition Price, the Issue Price and/or the Blended Price, as applicable, being whichever is used in the calculation.

Price payable on grant of Restricted Share Units

The effective aggregate price payable by the Managing Director for the RSUs for which shareholder approval is sought is approximately \$6.98 million, being the amount of Mr Moore's 2014 retained profit share to be allocated under the MEREP.

Price payable on grant of Performance Share Units

The Managing Director will not make any cash payment for the PSUs for which shareholder approval is sought. The PSUs are an incentive mechanism for future performance and can only be exercised subject to satisfaction of the performance hurdles described in Appendix A to these Explanatory Notes.

Participants under previous approvals

The Managing Director is the only person referred to in ASX Listing Rule 10.14 entitled to participate in the MEREP.

The Managing Director was granted 97,531 RSUs at an assessed value of \$43.56 per share and 86,664 PSUs for nil cash consideration following shareholder approval at the 2013 Macquarie Group Annual General Meeting.

Terms of any loan relating to the acquisition of shares

No loan is being provided to the Managing Director in relation to the acquisition of shares under the MEREP.

Date by which grants will be made

The proposed grants of RSUs and PSUs to the Managing Director are expected to be made on or around 15 August 2014 but not later than 30 September 2014, subject to shareholder approval of Item 8 in the Notice of Meeting.

Consequences if approval not obtained

If shareholders do not approve the proposed issue of RSUs and PSUs to the Managing Director under Item 8, the proposed grant of RSUs and issue of PSUs to him will not proceed. This may impact Macquarie's ability to incentivise the Managing Director and align his interests with those of shareholders and with the remuneration arrangements of the other Executive Directors. The Board will need to consider alternative remuneration arrangements, which may not be consistent with Macquarie's remuneration principles, including a cash payment.

The Non-Executive Voting Directors of the Board unanimously recommend that shareholders approve Item 8 in the Notice of Meeting. Mr Moore, being the Managing Director and Chief Executive Officer, has a material personal interest in the resolution and, therefore, has abstained from providing a recommendation.

Appendix A – Performance Hurdles of PSUs

PSUs issued under the MEREP become exercisable upon the achievement of two performance hurdles, each applying individually to 50 per cent of the total number of each tranche of PSUs awarded. The following table provides a summary of the hurdles:

	EPS CAGR Hurdle	ROE Hurdle
Application to PSU awards	50 per cent	50 per cent
Performance measure	Compound annual growth rate (CAGR) in earnings per share (EPS) over the vesting period (three to four years)	Relative average annual return on ordinary equity over the vesting period (three to four years) compared to a reference group of global peers ⁽¹⁾
Hurdle	Sliding scale applies: – 50 per cent becoming exercisable at EPS CAGR of 7.5 per cent – 100 per cent at EPS CAGR of 12 per cent For example, if EPS CAGR was 9.75 per cent, 75 per cent of the relevant awards would become exercisable. For awards made prior to 2013, the EPS CAGR hurdle range was 9 per cent to 13 per cent.	Sliding scale applies: – 50 per cent becoming exercisable above the 50th percentile – 100 per cent at the 75th percentile For example, if ROE achievement was at the 60th percentile, 70 per cent of the relevant awards would become exercisable.
Rationale for hurdles	– Hurdles are periodically examined by the BRC as part of their ongoing review of the remuneration approach, to ensure they continue to align the interests of staff and shareholders and provide a challenging but meaningful incentive to Executive Committee members. The BRC considers historical and forecast market data, the views of corporate governance bodies, shareholders and regulators as well as peer market practice. No change has been made to the hurdles for FY2014. – ROE and EPS are considered appropriate measures of performance as they drive longer-term shareholder returns and are broadly similar to the performance measures Macquarie uses for determining the annual profit share pool. – ROE and EPS are appropriate for the Executive Committee because they can affect outcomes on both measures. In contrast, TSR is influenced by many external factors, including market sentiment, over which executives have limited control. – ROE and EPS can be substantiated using information that is disclosed in audited financial statements. – The use of a sliding scale diversifies the risk of not achieving the hurdles, provides rewards proportionate to performance for shareholders and is preferable to an all-or-nothing test which some have argued could promote excessive risk taking. – The approach is consistent with that advocated by APRA in not using TSR as a measure. – Being three and four year average measures from 2012 and aligned with the vesting period, Macquarie's performance hurdles reward sustained strong performance and are relatively well-insulated from short-term fluctuations. The time frame used for PSUs should also be considered in light of the three to seven year deferral of profit share for members of the Executive Committee. Use of an international peer group recognises the extent of Macquarie's internationalisation. At 31 March 2014 more than two thirds of Macquarie's income and over half of Macquarie's staff were offshore.	

⁽¹⁾ The reference group comprises Macquarie's major international investment banking peers with whom Macquarie competes and frequently compares its performance. The reference group for awards made from 2013 is Barclays PLC, Bank of America Corporation, Credit Suisse Group AG, Deutsche Bank AG, Goldman Sachs Group Inc., JP Morgan Chase, Lazard Ltd, Morgan Stanley and UBS AG. Jefferies Group Inc. has been excluded from the reference group for awards made from 2013 following its acquisition by Leucadia National Corp. The reference group for awards made prior to 2013 comprised Bank of America Corporation, Citigroup Inc, Credit Suisse Group AG, Deutsche Bank AG, Goldman Sachs Group AG, JP Morgan Chase, Morgan Stanley and UBS AG as well as significant Australian commercial banks within the ASX 100 (ANZ Group Limited, Commonwealth Bank of Australia, National Australia Bank Limited, Westpac Banking Corporation and Suncorp Metway Limited).

Appendix A – Performance Hurdles of PSUs

continued

Testing of hurdles

Under both performance hurdles, the objective is examined once only, effectively at the calendar quarter end immediately before vesting. If the condition is not met when examined, the PSUs due to vest will not be exercisable upon vesting.

The PSUs which vested in July 2013 comprised the third tranche of those granted in 2009, the second tranche of those granted in 2010 and the first tranche of those granted in 2011. Tranche 3 of the 2009 grant and Tranche 2 of the 2010 grant did not become exercisable due to the performance hurdles not being met. Tranche 1 of the 2011 grant did not become fully exercisable due to the performance hurdles not being fully met. As a result:

PSU Tranche	EPS CAGR Hurdle			ROE Hurdle		
	Macquarie result (for vesting period)	Hurdle	Outcome	Macquarie result (for vesting period)	Hurdle	Outcome
2009 Tranche 3	(5.1%)	At 9%	100% not exercisable	8.0%	> 50 th percentile rank	100% not exercisable
2010 Tranche 2	(7.8%)	At 9%	100% not exercisable	7.2%	> 50 th percentile rank	100% not exercisable
2011 Tranche 1	(5.7%)	At 9%	100% not exercisable	6.5%	> 50 th percentile rank	56% exercisable

PSUs that did not meet performance hurdles expired.

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Investor Information

Enquiries

Investors who wish to enquire about any matter relating to their Macquarie Group Limited shareholding are invited to contact the share registry:

Computershare Investor Services Pty Limited

GPO Box 2975

Melbourne VIC 8060 Australia

Telephone: +61 3 9415 4137

Freecall: 1300 554 096

Facsimile: +61 3 9473 2500

Online: www.investorcentre.com/contact

Website: www.computershare.com/au

All other enquiries relating to a Macquarie Group Limited share investment can be directed to:

Investor Relations

Macquarie Group Limited

Level 7, No.1 Martin Place

Sydney NSW 2000 Australia

Telephone: +61 2 8232 3333

Facsimile: +61 2 8232 7780

Email: macquarie.shareholders@macquarie.com

Website: www.macquarie.com.au/investorrelations

Website

Macquarie's 2014 Annual Review and 2014 Annual Financial Report, which together comprise the 2014 Annual Report, are available on Macquarie's website at:

www.macquarie.com.au/mqg-annualreport





Macquarie Group Limited
ACN 122 169 279

Lodgement of a Proxy Form:

Online:
www.investorvote.com.au

By Mail:
Computershare Investor Services Pty Limited
GPO Box 242
Melbourne Victoria 3001 Australia

In Person
Share Registry:
Computershare Investor Services Pty Limited
Level 4, 60 Carrington Street
Sydney NSW 2000 Australia

Alternatively you can fax your form to:
1800 783 447 (within Australia)
+61 3 9473 2555 (outside Australia)

**For Intermediary Online Subscribers only
(Custodians)**
www.intermediaryonline.com

For all enquiries call:
1300 554 096 (within Australia)
+61 3 9415 4137 (outside Australia)

Proxy Form



Lodge your proxy

- Go to www.investorvote.com.au
- To use this online facility you will need to enter the Control Number, your Shareholder Reference Number (SRN) or Holder Identification Number (HIN) and postcode, as shown on this Proxy Form. You will be taken to have signed your proxy if you lodge it in accordance with the instructions on the website. A proxy cannot be appointed electronically if they are appointed under a power of attorney or similar authority.

Your access information that you will need to vote:

Control Number:

SRN/HIN:

PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

Your proxy must be received by 10:30 am (Sydney Time) on Tuesday, 22 July 2014

How to vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of a Proxy

For important information relating to the appointment of a proxy to vote on your behalf, please refer to Step 1 overleaf.

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote as they choose (subject to the voting restrictions set out in the Notice of Meeting). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of shares you wish to vote in the 'For', 'Against' or 'Abstain' box or boxes opposite each item of business. The sum of the votes cast must not exceed your total number of shares or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of shares for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both proxyholders' names and the percentage of votes or number of shares in Step 1 and Step 2 overleaf. If you wish to give your second proxy different voting instructions, an additional Proxy Form may be obtained by telephoning the Share Registry or you may copy this form.

A proxy need not be a shareholder of the Company.

Signing instructions for postal forms

Individual: Where the holding is in one name, the shareholder must sign.

Joint Holding: Where the holding is in more than one name, all of the shareholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting, you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the information tab, "Downloadable forms".

GO ONLINE TO VOTE
or turn over to complete the form ➔

Registered Name

Registered Address

☐

Change of address. If your address is incorrect, mark this box and make the correction in the space to the left. Shareholders sponsored by a broker (reference number commences with 'X') should advise their broker of any changes.

Holder Identification Number (HIN) or Security holder Reference Number (SRN)

■ Proxy Form

Please mark ☒ to indicate your directions

STEP 1

Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Macquarie Group Limited ('Macquarie') hereby appoint

☐ the Chairman of the Meeting **OR**

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting of Macquarie Group Limited to be held at the Sheraton on the Park, Grand Ballroom, 161 Elizabeth St, Sydney NSW on Thursday, 24 July 2014 at 10:30 am and at any adjournment of that meeting.

Important for Items 7 and 8: If the Chairman of the Meeting is your proxy and you do not direct your proxy to vote 'For', 'Against' or to 'Abstain' on items 7 and/or 8, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Items 7 and 8 (as applicable) even if that item is connected directly or indirectly with the remuneration of a member of the key management personnel of Macquarie.

The Chairman of the Meeting will vote undirected proxies in favour of Items 7 and 8.

If you do not wish for your vote to be cast in this way, you should direct your proxy how to vote on Items 7 and 8.

STEP 2

Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

ORDINARY BUSINESS

	For	Against	Abstain
2 Re-election of Mr HK McCann as a Voting Director	☐	☐	☐
3 Re-election of Ms DJ Grady as a Voting Director	☐	☐	☐
4 Election of Mr GR Banks as a Voting Director	☐	☐	☐
5 Election of Mrs PA Cross as a Voting Director	☐	☐	☐
6 Election of Ms NM Wakefield Evans as a Voting Director	☐	☐	☐
7 To adopt the Remuneration Report of Macquarie for the year ended 31 March 2014	☐	☐	☐

SPECIAL BUSINESS

8 Approval of Executive Voting Director's participation in the Macquarie Group Employee Retained Equity Plan (MEREP)	☐	☐	☐
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The Chairman of the Meeting will vote undirected proxies in favour of all Items.

Appointing a second proxy
I/We wish to appoint a second proxy

AND

State the percentage of your voting rights or the number of shares for this proxy

%

OR

Name of second proxyholder

SIGN

Signature of Shareholder(s)

This section must be completed.

Individual or Shareholder 1

Sole Director and Sole Company Secretary

Shareholder 2

Director

Shareholder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date / /