

ZAR5,000,000,000

DEBT INSTRUMENT PROGRAMME

MACQUARIE SECURITIES SOUTH AFRICA (PROPRIETARY) LIMITED *(incorporated with limited liability under registration number 2006/023546/07 in the Republic of South Africa)*

Unconditionally and irrevocably guaranteed by

MACQUARIE GROUP LIMITED

((ABN 94 122 169 279), a corporation constituted with limited liability under the laws of the Commonwealth of Australia)



Macquarie Securities South Africa (Proprietary) Limited (the **Issuer**) has established a ZAR5,000,000,000 Debt Instrument Programme (the **Programme**) under which the Issuer may issue unsecured notes or other similar instruments of any kind (the **Notes**) pursuant to the Programme Memorandum, dated 8 October 2010, prepared by the Issuer in respect of the Programme (the **Previous Programme Memorandum**). The Previous Programme Memorandum was approved by the JSE Limited (the **JSE**) on 7 October 2010.

This amended and updated Programme Memorandum, dated 17 May 2012 (the **Programme Memorandum**) applies to all Notes issued under the Programme on or after 17 May 2012 (the **Programme Date**) and, in respect of such Notes, supersedes and replaces the Previous Programme Memorandum in its entirety. The Previous Programme Memorandum continues to apply to all Notes in issue under the Programme prior to the Programme Date.

Capitalised terms used in this Programme Memorandum are defined in the section of this Programme Memorandum headed "Terms and Conditions of the Notes" (the **Terms and Conditions**), unless separately defined in this Programme Memorandum. References in this Programme Memorandum to any Condition are to that Condition of the Terms and Conditions.

As at the Programme Date, the Programme Amount is ZAR5,000,000,000. This Programme Memorandum will only apply to Notes issued under the Programme (including Notes in issue under the Programme pursuant to the Previous Programme Memorandum) in an aggregate Outstanding Nominal Amount which does not exceed ZAR5,000,000,000 unless such amount is increased by the Issuer, as set out in the section of this Programme Memorandum headed "General Description of the Programme". The Notes will not be subject to any minimum or maximum maturity.

Macquarie Group Limited (the **Guarantor**) has, in terms of and subject to the guarantee deed poll, dated 8 October 2010, irrevocably and unconditionally guaranteed to the Noteholders the due and punctual payment by the Issuer of all amounts owing by the Issuer in respect of the Notes (the **Guarantee**).

A Tranche of Notes may comprise, without limitation, Fixed Rate Notes, Floating Rate Notes, Equity Linked Notes, Index Linked Notes, Exchangeable Notes or Zero Coupon Notes (as specified in the Applicable Pricing Supplement) and/or such combination of the foregoing Notes and/or such other type of Notes as may be determined by the Issuer and the relevant Dealer(s) and specified in the Applicable Pricing Supplement.

Notes will be issued in individual Tranches which, together with other Tranches, may form a Series of Notes. A Tranche of Notes will be issued on, and subject to, the Terms and Conditions, as replaced, amended and/or supplemented by the terms and conditions of that Tranche of Notes set out in the Applicable Pricing Supplement (the **applicable Terms and Conditions**). The Applicable Pricing Supplement relating to a Tranche of Notes will set out (among other things) the type of Notes in that Tranche of Notes, the Specified Denomination, the aggregate Nominal Amount, the Specified Currency, the Issue Date, the Issue Price, the Interest Rate (where applicable), the Interest Payment Date(s) (where applicable) and the Maturity Date.

This Programme Memorandum was approved by the JSE on 16 May 2012. A Tranche of Registered Notes may be listed on the Interest Rate Market of the JSE or on such other or additional Relevant Stock Exchange(s) as may be determined by the Issuer, subject to all Applicable Laws. Unlisted Notes may also be issued under the Programme. Unlisted Notes are not regulated by the JSE. A copy of the signed Applicable Pricing Supplement relating to a Tranche of Registered Notes which is to be listed on the Interest Rate Market of the JSE will be delivered to the JSE and the CSD, before the Issue Date, and the Notes in that Tranche may be traded by or through members of the JSE from the date specified in the Applicable Pricing Supplement, in accordance with the Applicable Procedures. The settlement of trades on the Interest Rate Market of the JSE will take place in accordance with the electronic settlement procedures of the JSE and the CSD. The settlement and redemption procedures for a Tranche of Registered Notes listed on any Relevant Stock Exchange (other than or in addition to the Interest Rate Market of the JSE) will be specified in the Applicable Pricing Supplement. The holders of Notes that are not listed on the Interest Rate Market of the JSE will have no recourse against the JSE and/or the BESA Guarantee Fund Trust. Claims against the BESA Guarantee Fund Trust may only be made in respect of the trading of Registered Notes listed on the Interest Rate Market of the JSE and in accordance with the rules of the BESA Guarantee Fund Trust.

The Notes may be issued on a continuing basis under the Programme and be placed by one or more of the Dealers appointed from time to time by the Issuer, which appointment may be for a specific issue of one or more Tranches of Notes or for the Programme.

As at the Programme Date, the Programme has been assigned a Rating of BBB/A-2 (Global Scale) and zaAA-/zaA-1 (SA National Scale) from Standard & Poor's. A Tranche of Notes may, on or before the Issue Date, be rated by a Rating Agency on a national scale or international scale basis. Unrated Tranches of Notes may also be issued. The Applicable Pricing Supplement will reflect the Rating, if any, which has been assigned to a Tranche of Notes, as well as the Rating Agency or Rating Agencies which assigned such Rating(s).

INVESTING IN THE NOTES INVOLVES CERTAIN RISKS (SEE THE SECTION OF THIS PROGRAMME MEMORANDUM HEADED "RISK FACTORS").

Debt Sponsors, Arrangers and Dealers:

FIRSTRAND BANK LIMITED, acting through its RAND MERCHANT BANK division

THE STANDARD BANK OF SOUTH AFRICA LIMITED, acting through its CORPORATE AND INVESTMENT BANKING division

IMPORTANT NOTICE

The Issuer accepts full responsibility for the accuracy of the information contained in this Programme Memorandum, each Applicable Pricing Supplement and each Supplement to this Programme Memorandum published by the Issuer from time to time.

The Issuer certifies that, to the best of its knowledge and belief, there are no facts the omission of which would make any statement contained in this Programme Memorandum false or misleading, that all reasonable enquiries to ascertain such facts have been made, and that this Programme Memorandum contains or incorporates by reference (see the section of this Programme Memorandum headed "*Documents Incorporated by Reference*") all information required by the JSE Debt Listings Requirements and all other Applicable Laws.

The Issuer, having made all reasonable enquiries, confirms that this Programme Memorandum contains or incorporates by reference (see the section of this Programme Memorandum headed "*Documents Incorporated by Reference*") all information which is material in the context of the issuing and the offering of Notes, that the information contained in (or incorporated by reference into) this Programme Memorandum as at the Programme Date is not misleading and that the opinions and the intentions expressed in this Programme Memorandum are honestly held.

The Guarantor is responsible for the information in respect of the Guarantor contained in (i) the section of this Programme Memorandum headed "*Terms and Conditions of the Guarantee*" and (ii) the section of this Programme Memorandum headed "*Description of Macquarie Group Limited*". To the best of the knowledge and belief of the Guarantor (who has taken all reasonable care to ensure that such is the case) the information in respect of the Guarantor contained in (i) the section of this Programme Memorandum headed "*Terms and Conditions of the Guarantee*" and (ii) the section of this Programme Memorandum headed "*Description of Macquarie Group Limited*" is in accordance with the facts and does not omit anything likely to affect the import of such information. Subject as aforesaid, the Guarantor is not responsible for (and has not separately verified) any of the information contained in (or incorporated by reference into) this Programme Memorandum, and no representation, warranty or undertaking, express or implied, is made and no responsibility is accepted by the Guarantor as to the accuracy or completeness of the information contained in (or incorporated by reference into) this Programme Memorandum or any other information provided in connection with the Programme.

The JSE assumes no responsibility or liability of whatsoever nature for the correctness of any of the statements made or opinions expressed or information contained in or incorporated by reference into this Programme Memorandum. The admission of any Tranche of Registered Notes to the list of Debt Securities maintained by the JSE and the listing of such Registered Notes on the Interest Rate Market of the JSE is not to be taken as an indication of the merits of the Issuer, the Guarantor or the Notes. The JSE assumes no responsibility or liability of whatsoever nature for the contents of this Programme Memorandum or any Applicable Pricing Supplement or any information incorporated by reference into this Programme Memorandum, and the JSE makes no representation as to the accuracy or completeness of this Programme Memorandum or any Applicable Pricing Supplement, or any information incorporated by reference into this Programme Memorandum. The JSE expressly disclaims any liability for any loss arising from or in reliance upon the whole or any part of this Programme Memorandum or any Applicable Pricing Supplement or any information incorporated by reference into this Programme Memorandum. Neither the Issuer nor the Guarantor makes any representation or warranties as to the settlement procedures of the CSD or the JSE or any other Relevant Stock Exchange. This Programme Memorandum must be read in conjunction with all documents which are incorporated by reference into this Programme Memorandum (see the section of this Programme Memorandum headed "*Documents Incorporated by Reference*"), and this Programme Memorandum must be read and construed on the basis that such documents are incorporated by reference into and form part of this Programme Memorandum.

Neither the JSE nor the Debt Sponsors nor the Arrangers, nor the Dealers nor any of their respective affiliates nor their respective professional advisers have separately verified the information contained in (or incorporated by reference into) this Programme Memorandum. No representation, warranty or undertaking, express or implied, is made and no responsibility is accepted by the JSE, the Debt Sponsors, the Arrangers, the Dealers or their respective professional advisers as to the accuracy or completeness of the information contained in (or incorporated by reference into) this Programme Memorandum or any other information provided by the Issuer or the Guarantor in connection with the Programme. Each person receiving this Programme Memorandum acknowledges that such person has not relied on the JSE, the Debt Sponsors, the Arrangers, the Dealers, or any of their respective affiliates and advisers in connection with its investigation of the accuracy of such information or its investment decision. Neither the JSE nor the Debt Sponsors nor the Arrangers nor the Dealers nor their respective professional advisers accept any liability in relation to the information contained in (or incorporated by reference into) this Programme Memorandum or any other information provided by the Issuer or the Guarantor in connection with the Programme.

No person is authorised to give any information or to make any representation other than those contained in (or consistent with) this Programme Memorandum. If any such information is given or representation is made, it must not be relied upon as having been authorised by the Issuer, the Guarantor, the JSE, the Debt Sponsors, the Arrangers, the Dealers or their respective affiliates and advisers. Neither the delivery of this Programme Memorandum nor any offer, sale, allotment or solicitation made in connection with the offering of the Notes shall, in any circumstances, create any implication or constitute any representation that there has been no change in the affairs of the Issuer and/or the Guarantor since the Programme Date or that the information contained in or incorporated by reference into this

Programme Memorandum after the Programme Date is correct at any time subsequent to the date of the document containing such information.

Neither this Programme Memorandum nor any other information supplied in connection with the Programme and/or the Notes is intended to provide the basis of any credit or other evaluation, or should be considered as a recommendation or a statement of opinion, or a report of either of those things, by the JSE, the Issuer, the Guarantor, the Debt Sponsors, the Arrangers or the Dealers that any recipient of this Programme Memorandum or any other information supplied in connection with the Programme and/or the Notes, should purchase any Notes. Each person contemplating making an investment in the Notes must make its own investigation and analysis of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer and the Guarantor and the terms of the offering and its own determination of the suitability of any such investment, with particular reference to its own circumstances and financial condition, its own investment objectives and experience, the extent of its exposure to risk (see the section of this Programme Memorandum headed "*Risk Factors*") and any other factors which may be relevant to it in connection with such investment.

Neither the JSE nor the Issuer nor the Guarantor nor the Debt Sponsors nor the Arrangers nor the Dealers undertake to review the financial condition or affairs of the Issuer and/or the Guarantor or to advise any investor or potential investor in the Notes of any information coming to the attention of the JSE, the Issuer, the Guarantor, the Debt Sponsors, the Arrangers or the Dealers.

Neither this Programme Memorandum nor any Applicable Pricing Supplement nor any other information supplied in connection with the Programme and/or the Notes constitutes an offer or invitation by or on behalf of the Issuer or the Guarantor or the Debt Sponsors or the Arrangers or the Dealers to any person to subscribe for or purchase or otherwise deal in any Notes.

The distribution of this Programme Memorandum and/or any Applicable Pricing Supplement and the issue, sale or offer of Notes may be restricted in certain jurisdictions. For a description of certain restrictions on offers, sales and subscriptions for Notes and on the distribution of this Programme Memorandum and/or any Applicable Pricing Supplement and other offering material relating to the Programme and/or the Notes, see the section of this Programme Memorandum headed "*Subscription and Sale*".

In particular, there are restrictions on the distribution of this Programme Memorandum and/or any Applicable Pricing Supplement and the offer or sale or subscription of Notes in the United States of America, the United Kingdom, the European Economic Area, South Africa, Hong Kong, Singapore and Australia.

None of the Issuer, the Guarantor, the Debt Sponsors, the Arrangers, the Dealers or their respective professional advisors represent that this Programme Memorandum and/or any Applicable Pricing Supplement may be lawfully distributed, or that any Notes may be lawfully offered, subscribed for or sold, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assumes any responsibility for facilitating any such distribution, offering, subscription or sale.

In particular, save for obtaining the approval of this Programme Memorandum by the JSE, no action has been taken by the Issuer, the Guarantor, the Debt Sponsors, the Arrangers, the Dealers or their respective professional advisors which would permit a public offering of any Notes or a distribution of this Programme Memorandum and/or any Applicable Pricing Supplement in any jurisdiction where action for that purpose is required. No Notes may be offered or sold, directly or indirectly, and neither this Programme Memorandum nor any Applicable Pricing Supplement nor any advertisement or other offering material relating to the Programme and/or the Notes may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with all Applicable Laws and regulations.

Neither this Programme Memorandum nor any Applicable Pricing Supplement are for distribution in, and do not constitute an offer of Notes for sale or subscription in, the United States of America or in any other jurisdiction in which such a distribution or such offer for sale or subscription would be unlawful or would require qualification or registration. It is the responsibility of any person wishing to subscribe for or purchase Notes to satisfy himself as to the full observance of the laws of the relevant jurisdiction.

The Notes have not been and will not be registered under the United States Securities Act of 1933 (the Securities Act). The Notes may not be offered or sold in the United States of America or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S under the Securities Act.

Persons into whose possession this Programme Memorandum and/or any Applicable Pricing Supplement comes are required by the Issuer, the Guarantor, the Debt Sponsors, the Arrangers and the Dealers to comply with all Applicable Laws and regulations in each country or jurisdiction in which they subscribe for, purchase, offer, sell, transfer or deliver Notes or have in their possession or distribute this Programme Memorandum and to obtain any consent, approval or permission required by them for the subscription, purchase, offer, sale, transfer or delivery by them of any Notes under the law and regulations in force in any country or jurisdiction to which they are subject or in which they make such subscriptions, purchases, offers, sales, transfers or deliveries, in all cases at their own expense, and none of the Issuer, the Guarantor, the Debt Sponsors, the Arrangers or the Dealers shall have responsibility therefor. In accordance with the above, any Notes purchased or subscribed for by any person which it wishes to offer for sale or resale may not be offered in any country or jurisdiction in circumstances which would result in the Issuer being obliged to register this Programme Memorandum or any further prospectus or corresponding document relating to the Notes in such country or jurisdiction.

Other than Macquarie Bank Limited (ABN 46 008 583 542) (MBL), no Macquarie Group entity referred to in this Programme Memorandum is an authorised deposit-taking institution (an ADI) for the purposes of the Banking Act 1959 of Australia (the **Australian Banking Act**). The Australian Banking Act provides that, in the event an ADI becomes

unable to meet its obligations or suspends payment, the ADI's assets in Australia are available to meet specified liabilities of the ADI in priority to all other liabilities of the ADI. These specified liabilities include certain obligations of the ADI to the Australian Prudential Regulation Authority (**APRA**) in respect of amounts payable by APRA to holders of protected accounts, other liabilities of the ADI in Australia in relation to protected accounts, debts to the Reserve Bank of Australia (**RBA**) and certain other debts to APRA. A "*protected account*" is, subject to certain conditions including as to currency and unless prescribed otherwise by regulations, an account or a specified financial product: (a) where the ADI is required to pay the account-holder, on demand or at an agreed time, the net credit balance of the account, or (b) otherwise prescribed by regulation. The Australian Treasurer has published a declaration of products prescribed as "*protected accounts*" for the purposes of the Australian Banking Act. Changes to applicable law may extend the liabilities required to be preferred by law.

The Notes do not represent a protected account of, or a deposit with, MBL. Further, the obligations of the other members of the Macquarie Group do not represent deposit liabilities, "*protected accounts*" or other liabilities of MBL. MBL does not guarantee or otherwise provide assurance in respect of the obligations of any such entity, unless noted otherwise.

In connection with the issue and distribution of any Tranche of Notes, the Dealer (if any) who is designated in the Applicable Pricing Supplement as the approved stabilisation manager (the **Stabilisation Manager**) may, to the extent permitted by and in accordance with Applicable Laws and subject to JSE approval, over-allot or effect transactions with a view to supporting the market price of the Notes in the same Series as that Tranche of Notes at a level higher than that which might otherwise prevail for a limited period after the Issue Date. Such stabilising, if commenced, may be discontinued at any time and must be brought to an end after a limited period. Such stabilising shall be in compliance with all Applicable Laws.

The price/yield and amount of a Tranche of Notes to be issued under the Programme will be determined by the Issuer and the relevant Dealer(s) at the time of issue in accordance with prevailing market conditions.

TABLE OF CONTENTS

	<i>Page</i>
DOCUMENTS INCORPORATED BY REFERENCE	7
GENERAL DESCRIPTION OF THE PROGRAMME	9
SUMMARY OF THE PROGRAMME	11
RISK FACTORS	16
FORM OF THE NOTES	24
<i>PRO FORMA</i> APPLICABLE PRICING SUPPLEMENT	26
TERMS AND CONDITIONS OF THE NOTES	36
USE OF PROCEEDS	66
TERMS AND CONDITIONS OF THE GUARANTEE	67
DESCRIPTION OF MACQUARIE SECURITIES SOUTH AFRICA (PROPRIETARY) LIMITED	74
DESCRIPTION OF MACQUARIE GROUP LIMITED	78
SETTLEMENT, CLEARING AND TRANSFERS OF REGISTERED NOTES	81
SUBSCRIPTION AND SALE	83
TAXATION	88
SOUTH AFRICAN EXCHANGE CONTROL	90
GENERAL INFORMATION	91

DOCUMENTS INCORPORATED BY REFERENCE

The following documents and agreements are incorporated by reference into, and form part of, this Programme Memorandum:

- a) the respective audited annual financial statements of the Issuer for the financial years ended 31 March 2010, 31 March 2011 and 31 March 2012, which include the independent auditor's reports in respect of such financial statements;
- b) the respective audited annual financial statements of the Issuer for all financial years of the Issuer after the Programme Date, which will include the independent auditor's reports in respect of such financial statements;
- c) the respective annual reports of the Guarantor for the financial years ended 31 March 2009, 31 March 2010 and 31 March 2011, which include the audited consolidated annual financial statements of the Guarantor for such financial years and the independent auditor's reports in respect of such financial statements;
- d) the respective annual reports of the Guarantor for all financial years of the Guarantor after the Programme Date, which will include the audited consolidated annual financial statements of the Guarantor for such financial years and the independent auditor's reports in respect of such financial statements;
- e) the consolidated interim financial report of the Guarantor for the 6-month period ended 30 September 2011 and all subsequent consolidated interim financial reports of the Guarantor;
- f) the Guarantee;
- g) each Applicable Pricing Supplement;
- h) each supplement to this Programme Memorandum prepared by the Issuer from time to time;
- i) all information pertaining to the Issuer which is relevant to the Programme and/or this Programme Memorandum which is (i) electronically submitted via the JSE Stock Exchange News Service (**SENS**) to SENS subscribers and/or (ii) available on any electronic news service established or used or required by the JSE;
- j) all information which relates to the ratings, financial performance or future financial results of the Guarantor released by the Guarantor to the Australian Securities Exchange operated by ASX Limited (**ASX**) in compliance with the continuous disclosure requirements of the Australian Corporations Act,

save that any statement contained in this Programme Memorandum or in any document which is incorporated by reference into this Programme Memorandum shall be deemed to be modified or superseded for the purpose of this Programme Memorandum to the extent that a statement contained in any document which is subsequently incorporated by reference into this Programme Memorandum modifies or supersedes such earlier statement (whether expressly, by implication or otherwise).

Any information not listed above but included in the documents incorporated by reference into this Programme Memorandum is given for information purposes only.

This Programme Memorandum is available for inspection, upon request, during normal office hours, at the Specified Offices of the Issuer and the Debt Sponsor (who will hold this Programme Memorandum on behalf of the Issuer). This Programme Memorandum, each supplement to this Programme Memorandum prepared by the Issuer from time to time and each Applicable Pricing Supplement are also available (or will also be available) on the following website: <http://www.macquarie.co.za/mgl/za>. This Programme Memorandum, each supplement to this Programme Memorandum prepared by the Issuer from time to time and each Applicable Pricing Supplement will be available on the JSE's website at www.jse.co.za.

(i) The respective audited annual financial statements of the Issuer for the financial years ended 31 March 2010 and 31 March 2011, (ii) the respective annual reports of the Guarantor referred to in paragraph (c) above, (iii) the consolidated interim financial report of the Guarantor for the 6-month period ended 30 September 2011 (see paragraph (e) above) and (iv) the Guarantee, are available for inspection, upon request, during normal office hours, at the Specified Offices of the Issuer and the Debt Sponsor (who will hold such financial statements, annual reports, interim financial report and Guarantee on behalf of the Issuer). In addition, the respective annual reports of the Guarantor referred to in paragraph (c) above and the consolidated interim financial report of the Guarantor for the 6-month period ended 30 September 2011 (see paragraph (e) above) are available on the Guarantor's website at www.macquarie.com.au.

(i) The audited annual financial statements of the Issuer for the financial year ended 31 March 2012 and the respective audited annual financial statements of the Issuer referred to in paragraph (b) above, (ii) the respective annual reports of the Guarantor referred to in paragraph (d) above, (iii) the subsequent interim financial reports of the Guarantor referred to in paragraph (e) above and (iv) the documents listed in paragraphs (g) and (h) above will, as and when such audited annual financial statements, annual reports, interim financial reports and documents are approved and become available, be available for inspection, upon request, during normal office hours, at the Specified Offices of the Issuer and the Debt Sponsor (who will hold such financial statements, annual reports, interim financial reports and documents on behalf of the Issuer). In addition, the respective annual reports of the Guarantor referred to in paragraph (d) above and the subsequent interim financial reports of the Guarantor referred to in paragraph (e) above will (as and when the relevant annual reports and interim financial reports are approved and become available) be available on the Guarantor's website

at www.macquarie.com.au. The information referred to in paragraph (j) above will (as and when the relevant information becomes available) be available on the ASX's website at www.asx.com.au (the Guarantor's ASX code is "MQG").

Website and internet addresses in this Programme Memorandum are included for reference only and the contents of any such websites and internet sites are not incorporated by reference into, and do not form part of, this Programme Memorandum.

The Issuer will, for so long as any Note remains outstanding and listed on the Interest Rate Market of the JSE, publish a new Programme Memorandum or a supplement to this Programme Memorandum, as the case may be, within six months of the financial year end of the Issuer, (a) if any of the information contained in this Programme Memorandum becomes outdated in a material respect or (b) if, after the annual financial statements of the Issuer for any financial year are incorporated by reference into this Programme Memorandum (see above), any of the information contained in such annual financial statements becomes outdated in a material respect, as the case may be. A new Programme Memorandum or a supplement to this Programme Memorandum, as the case may be, must be approved by the JSE.

Any such new Programme Memorandum or Programme Memorandum as supplemented, as the case may be, shall be deemed to substitute the previous Programme Memorandum from the date of issue of such new Programme Memorandum or Programme Memorandum as supplemented, as the case may be.

GENERAL DESCRIPTION OF THE PROGRAMME

A general description of the Programme is set out below. The general description does not purport to be complete and is taken from, and is qualified by, the remainder of this Programme Memorandum (including the section of this Programme Memorandum headed "Risk Factors" and all documents which are incorporated by reference into this Programme Memorandum) and, in relation to a Tranche of Notes, the Applicable Pricing Supplement.

Issue

The Issuer may from time to time, subject to the prior written approval of the Exchange Control Authorities in terms of the Exchange Control Regulations (where applicable), issue one or more Tranches of Notes under the Programme, pursuant to this Programme Memorandum, provided that the aggregate Outstanding Nominal Amount of all of the Notes issued under the Programme (including Notes in issue under the Programme pursuant to the Previous Programme Memorandum) from time to time does not exceed the Programme Amount.

A Tranche of Notes may comprise, without limitation, Fixed Rate Notes, Floating Rate Notes, Equity Linked Notes, Index Linked Notes, Exchangeable Notes or Zero Coupon Notes (as specified in the Applicable Pricing Supplement) and/or such combination of the foregoing Notes and/or such other type of Notes as may be determined by the Issuer and the relevant Dealer(s) and specified in the Applicable Pricing Supplement.

Listing

A Tranche of Registered Notes may be listed on the Interest Rate Market of the JSE or on such other or additional Relevant Stock Exchange(s) as may be determined by the Issuer, subject to Applicable Laws. Unlisted Notes may also be issued under the Programme. Unlisted Notes are not regulated by the JSE. The Applicable Pricing Supplement will specify whether or not a Tranche of Notes will be listed and, if so, on which Relevant Stock Exchange.

If the Issuer issues a Tranche of unlisted Notes or a Tranche of Registered Notes is listed on any Relevant Stock Exchange other than (or in addition to) the JSE, the Issuer will, at the time of placement of that Tranche of Notes, inform the JSE in writing of the aggregate Nominal Amount and the Maturity Date of that Tranche of Notes. The holders of Notes that are not listed on the Interest Rate Market of the JSE will have no recourse against the JSE and/or the BESA Guarantee Fund Trust. Claims against the BESA Guarantee Fund Trust may only be made in respect of the trading of Notes listed on the Interest Rate Market of the JSE and in accordance with the rules of the BESA Guarantee Fund Trust.

Programme Amount

As at the Programme Date, the Programme Amount is ZAR5,000,000,000. This Programme Memorandum will only apply to Notes issued under the Programme (including Notes in issue under the Programme pursuant to the Previous Programme Memorandum) in an aggregate Outstanding Nominal Amount which does not exceed the Programme Amount (or its equivalent in any other Specified Currency). For the purpose of calculating the South African Rand equivalent of the aggregate Outstanding Nominal Amount of the Notes issued under the Programme from time to time:

- a) the South African Rand equivalent of a Tranche of Notes denominated in another Specified Currency shall be determined, at or about the date of the agreement to issue and place such Notes, on the basis of the spot rate at such date for the sale of such South African Rand amount against the purchase of such Specified Currency in the Johannesburg inter-bank foreign exchange market, as quoted by any leading bank selected by the Issuer;
- b) the South African Rand equivalent of a Tranche of Zero Coupon Notes denominated in another Specified Currency (and any other Tranche of Notes issued at a discount or a premium) shall be calculated *mutatis mutandis* in accordance with paragraph (a) above, with reference to the Issue Price; and
- c) the South African Rand equivalent of a Tranche of Index Linked Notes shall be calculated *mutatis mutandis* in accordance with paragraph (a) above, with reference to the aggregate Nominal Amount of that Tranche (regardless of the Issue Price of that Tranche).

From time to time the Issuer may wish to increase the Programme Amount. Subject to the Applicable Procedures, all Applicable Laws and the Programme Agreement, the Issuer may, without the consent of any Noteholder, increase the Programme Amount in accordance with the provisions of the Programme Agreement. Upon the conditions set out in the Programme Agreement to the exercise of this right having been met, all references in this Programme Memorandum (and each agreement, deed or document relating to the Programme and/or this Programme Memorandum) to the Programme Amount will be, and will be deemed to be, references to the increased Programme Amount set out in such notice.

Rating

As at the Programme Date, the Programme has been assigned a Rating of BBB/A-2 (Global Scale) and zaAA/zaA-1 (SA National Scale) from Standard & Poor's. A Tranche of Notes may, on or before the Issue Date, be rated by a Rating Agency on a national scale or international scale basis. Unrated Tranches of Notes may also be issued. The Applicable Pricing Supplement will reflect the Rating, if any, which has been assigned to a Tranche of Notes, as well as the Rating Agency or Rating Agencies which assigned such Rating or Ratings. Neither a Rating of the Programme nor a Rating of a Tranche of Notes is a recommendation to subscribe for, buy, sell or hold any Notes. A Rating of the Programme and/or a Rating of a Tranche of Notes may be subject to revision, suspension or withdrawal at any time by the Rating Agency.

Exchange Control Regulations

The issue of a particular Tranche of Notes may, depending on the type of Notes in that Tranche, require the prior written approval of the Exchange Control Authorities in terms of the Exchange Control Regulations (see the section of this Programme Memorandum headed "*South African Exchange Control*").

Risk factors

Investing in the Notes involves certain risks (see the section of this Programme Memorandum headed "*Risk Factors*").

SUMMARY OF THE PROGRAMME

The following summary does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Programme Memorandum (including the section of this Programme Memorandum headed "Risk Factors" and all documents which are incorporated by reference into this Programme Memorandum) and, in relation to a Tranche of Notes, the Applicable Pricing Supplement.

PARTIES

Issuer	Macquarie Securities South Africa (Proprietary) Limited (Registration Number 2006/023546/07).
Issuer ownership structure	The Issuer is directly and wholly-owned by Macquarie EMG Holdings Pty Limited (MEH), a limited liability company in the Commonwealth of Australia having its principal place of business in Sydney. MEH is indirectly and wholly-owned by MGL (see the section of this Programme Memorandum headed "Description of Macquarie Securities South Africa (Proprietary) Limited").
Guarantor	Macquarie Group Limited (ABN 94 122 169 279) incorporated with limited liability in the Commonwealth of Australia.
Macquarie Group structure	Macquarie Bank Limited (ABN 46 008 583 542) (MBL) was incorporated on 26 April 1983 with limited liability in the Commonwealth of Australia for an unlimited duration. In November 2007 the subsidiaries and affiliates of MBL were restructured into separate banking and non-banking groups, and MGL replaced MBL as the ultimate listed parent of the Macquarie Group. For the purposes of this Programme Memorandum, references to Macquarie Group or the Group shall be to MGL and its Subsidiaries.
Debt Sponsors	The Standard Bank of South Africa Limited, acting through its Corporate and Investment Banking division (Registration Number 1962/000738/06) (SBSA) and FirstRand Bank Limited, acting through its Rand Merchant Bank division (Registration Number 1929/001225/06) (RMB) (see the section of this Programme Memorandum headed "Subscription and Sale" – "Dealer and placing arrangements").
Arrangers	SBSA and RMB.
Dealers	SBSA, RMB and each additional Dealer appointed as such by the Issuer from time to time in terms of (and subject to) the Programme Agreement, which appointment may be for a specific issue of one or more Tranches of Notes or for the Programme, subject to the Issuer's right to terminate the appointment of any Dealer.
Paying Agent	The Issuer, unless the Issuer elects to appoint another entity as Paying Agent in respect of the Notes, in which event that other entity will act as Paying Agent in respect of the Notes.
Calculation Agent	The Issuer, unless the Issuer elects to appoint another entity as Calculation Agent in respect of the Notes, in which event the other entity will act as Calculation Agent in respect of the Notes.
Transfer Agent	The Issuer, unless the Issuer elects to appoint another entity as Transfer Agent in respect of the Notes, in which event the other entity will act as Transfer Agent in respect of the Notes.

GENERAL

Applicable Pricing Supplement	The Applicable Pricing Supplement relating to a Tranche of Notes will set out (among other things) the type of Notes in that Tranche of Notes, the Specified Denomination, the aggregate Nominal Amount, the Specified Currency, the Issue Date, the Issue Price, the Interest Rate (where applicable), the Interest Payment Date(s) (where applicable) and the Maturity Date.
BESA Guarantee Fund Trust	The holders of Notes that are not listed on the Interest Rate Market of the JSE will have no recourse against the JSE and/or the BESA Guarantee Fund Trust. Claims against the BESA Guarantee Fund Trust may only be made in respect of the trading of Notes which are listed on the Interest Rate Market of the JSE and in accordance with the rules of the BESA Guarantee Fund Trust
Blocked Rand	Blocked Rand may be used to subscribe for or purchase Notes, subject to the Exchange Control Regulations (see the section of this Programme

Memorandum headed "*South African Exchange Control*").

Clearing and settlement	<p>Each Tranche of Notes which is held in the CSD will be issued, cleared and settled in accordance with the Applicable Procedures through the electronic settlement system of the CSD. The CSD acts as the JSE-approved electronic clearing house, and carries on the role of matching, clearing and facilitation of settlement of all transactions carried out on the JSE.</p> <p>Each Tranche of Notes which is held in the CSD will be cleared by Participants who will follow the electronic settlement procedures prescribed by the JSE and the CSD (see the section of this Programme Memorandum headed "<i>Settlement, Clearing and Transfers of Registered Notes</i>").</p>
Commercial Paper Regulations	See Annexure "A" to the <i>pro forma</i> Applicable Pricing Supplement set out in the section of this Programme Memorandum headed " <i>Pro Forma Applicable Pricing Supplement</i> ".
Cross-default	The Notes will have the benefit of a cross-default, as described in Condition 16.1.3.
CSD	Strate Limited (Registration Number 1998/022242/06), a central securities depository licensed in terms of the Securities Services Act or such additional or alternative depository as may be agreed between the Issuer and the relevant Dealer(s).
Description of the Programme	Macquarie Securities South Africa (Proprietary) Limited ZAR5,000,000,000 Debt Instrument Programme.
Distribution	A Tranche of Notes may be distributed by way of public auction or private placement or any other means permitted by law, as determined by the Issuer and the relevant Dealer(s).
Exchange control	<p>The issue of a particular Tranche of Notes may, depending on the type of Notes in that Tranche, require the prior written approval of the Exchange Control Authorities in terms of the Exchange Control Regulations. Dealings in such Notes and the performance by the Issuer of its obligations under such Notes may be subject to the Exchange Control Regulations (see the section of this Programme Memorandum headed "<i>South African Exchange Control</i>").</p> <p>The Banking (Foreign Exchange) Regulations and other regulations in Australia prohibit the Guarantor making, or being a party to, payments or transactions and dealings with assets or named individuals or entities subject to international sanctions or associated with terrorism.</p>
Form of Notes	A Tranche of Notes will be issued in the form of Registered Notes, Order Notes or Bearer Notes, as specified in the Applicable Pricing Supplement (see the section of this Programme Memorandum headed " <i>Form of the Notes</i> ").
Governing law	<p>This Programme Memorandum and, subject to Condition 7.2.2, the Notes and the applicable Terms and Conditions will be governed by and construed in accordance with the laws of South Africa.</p> <p>The Guarantee will be governed by and construed in accordance with the laws of New South Wales, Australia.</p>
Guarantee	The Guarantor has, in terms of and subject to the Guarantee, unconditionally and irrevocably guaranteed to the Noteholders the due and punctual payment by the Issuer of all amounts owing by the Issuer in respect of the Notes and the applicable Terms and Conditions. The Guarantee is a direct unsecured obligation of the Guarantor. The Guarantor's payment obligations under the Guarantee rank at least equally with the claims of its unsecured and unsubordinated creditors, except creditors mandatorily preferred by law (see the section of this Programme Memorandum headed " <i>Terms and Conditions of the Guarantee</i> ").
Interest	A Tranche of Notes may be interest-bearing or non-interest bearing, as specified in the Applicable Pricing Supplement. Interest (if any) may accrue on an interest-bearing Tranche of Notes at a fixed rate or a floating rate or other variable rate or be index linked, and the method of calculating interest may vary between the Issue Date and the Maturity Date, all as specified in the Applicable Pricing Supplement.
Interest Period(s)/Interest Date(s)	Payment The Interest Rate, Interest Payment Date(s) and Interest Period(s) applicable to a Tranche of interest-bearing Notes will be specified in the Applicable Pricing Supplement.

Issue and transfer taxes	As at the Programme Date, no securities transfer tax or any similar tax is payable in respect of the issue, transfer or redemption of the Notes (see the section of this Programme Memorandum headed "Taxation" - "South African Taxation"). Any future transfer duties and/or taxes that may be introduced in respect of (or be applicable to) the transfer of Notes will be for the account of Noteholders.
Issue Price	The Notes in a Tranche of Notes may be issued on a fully paid or a partly paid basis and at their Nominal Amount or at a discount or premium to their Nominal Amount, as specified in the Applicable Pricing Supplement.
JSE	JSE Limited (Registration Number 2005/022939/06), licensed as an exchange in terms of the Securities Services Act.
Listing	This Programme Memorandum was approved by the JSE on 16 May 2012. A Tranche of Registered Notes may be listed on the Interest Rate Market of the JSE or on such other or additional Relevant Stock Exchange(s) as may be determined by the Issuer, subject to all Applicable Laws. Unlisted Notes may also be issued under the Programme. Unlisted Notes are not regulated by the JSE. The Applicable Pricing Supplement will specify whether or not a Tranche of Registered Notes will be listed and, if so, on which Relevant Stock Exchange(s).
Maturities of Notes	A Tranche of Notes will have such maturity as is specified in the Applicable Pricing Supplement. The Notes are not subject to any minimum or maximum maturity.
Negative pledge	The Notes will have the benefit of a negative pledge, as described in Condition 7.
Noteholders	The Noteholders are (i) the holders of Registered Notes which are recorded as the registered Noteholders of those Notes in the Register, (ii) the Bearers of Bearer Notes, and (iii) the Payees of Order Notes.
Participants	The persons accepted by the CSD as participants in terms of the Securities Services Act. As at the Programme Date, the Participants are Absa Bank Limited, FirstRand Bank Limited, Nedbank Limited, The Standard Bank of South Africa Limited and the South African Reserve Bank. Euroclear Bank S.A./N.V. as operator of the Euroclear System (Euroclear) and Clearstream Banking, societe anonyme (Clearstream Banking), may hold Notes through their Participant (see the section of this Programme Memorandum headed "Settlement, Clearing and Transfers of Registered Notes").
Rating	As at the Programme Date, the Programme has been assigned a Rating of BBB/A-2 (Global Scale) and zaAA-/zaA-1 (SA National Scale) from Standard & Poor's. A Tranche of Notes may, on or before the Issue Date, be rated by a Rating Agency on a national scale or international scale basis. Unrated Tranches of Notes may also be issued. The Applicable Pricing Supplement will reflect the Rating, if any, which has been assigned to a Tranche of Notes, as well as the Rating Agency or Rating Agencies which assigned such Rating or Ratings. Neither a Rating of the Programme nor a Rating of a Tranche of Notes is a recommendation to subscribe for, buy, sell or hold Notes and may be subject to revision, suspension or withdrawal at any time by the Rating Agency. Any adverse change in the Rating of the Programme and/or a Tranche of Notes could adversely affect the trading price of all or any of the Notes.
Redemption	<p><i>Redemption at maturity:</i> Unless previously redeemed or purchased and cancelled, a Tranche of Notes will be redeemed by the Issuer, on the Maturity Date, at par or at such other Final Redemption Amount (detailed in a formula, index or otherwise) as may be specified in the Terms and Conditions and/or the Applicable Pricing Supplement, as set out in Condition 10.1.</p> <p><i>Redemption prior to maturity:</i> The Applicable Pricing Supplement will specify either that the relevant Tranche of Notes cannot be redeemed prior to the Maturity Date (other than following the occurrence of a Tax Event and/or a Change in Law, as described in Condition 10.4 or following an Event of Default, as described in Condition 16.3) or that the relevant Tranche of Notes may, if the Put Option is specified in the Applicable Pricing Supplement as being applicable, be redeemed at the option of the Noteholders (as described in Condition 10.2) and/or that the relevant Tranche of Notes may, if the Call Option is specified in the Applicable Pricing Supplement as being applicable, be redeemed at the option of the Issuer (as described in Condition 10.3).</p>
Register	The Register will be maintained by the Transfer Agent. The CSD's Nominee will be named in the Register as the registered Noteholder of each Tranche of

Notes which is held in the CSD. Each holder of Notes which are represented by an Individual Certificate will be named in the Register as the registered Noteholder of such Notes.

Risk factors	Investing in the Notes involves certain risks (see the section of this Programme Memorandum headed " <i>Risk Factors</i> ").
Selling restrictions	The distribution of this Programme Memorandum and/or any Applicable Pricing Supplement and any offering or sale of or subscription for a Tranche of Notes may be restricted by law in certain jurisdictions, and is restricted by law in the United States of America, the United Kingdom, the European Economic Area, South Africa, Hong Kong, Singapore and Australia (see the section of this Programme Memorandum headed " <i>Subscription and Sale</i> "). Any other or additional restrictions which are applicable to the placing of a Tranche of Notes will be set out in the Applicable Pricing Supplement. Persons who come into possession of this Programme Memorandum and/or any Applicable Pricing Supplement must inform themselves about and observe all applicable selling restrictions.
Size of the Programme	As at the Programme Date, the Programme Amount is ZAR5,000,000,000. This Programme Memorandum will only apply to Notes issued under the Programme (including Notes in issue under the Programme pursuant to the Previous Programme Memorandum) in an aggregate Outstanding Nominal Amount which does not exceed the Programme Amount. The Issuer may increase the Programme Amount in the manner set out in the section of this Programme Memorandum headed " <i>General Description of the Programme</i> ".
Specified Currency	South African Rand or, subject to all Applicable Laws (including, without limitation, the Exchange Control Regulations) and, in the case of Notes listed on the Interest Rate Market of the JSE, the JSE Rules, such other currency as is specified in the Applicable Pricing Supplement.
Specified Denomination	The denomination of each Note in a Tranche of Notes will be the denomination specified in the Applicable Pricing Supplement, provided that the Notes will be issued with a minimum denomination of ZAR1,000,000.
Status of Notes	The Notes will constitute direct, unconditional, unsubordinated and (subject to the provisions of Condition 7) unsecured obligations of the Issuer and will rank <i>pari passu</i> and rateably without any preference or priority among themselves and (save for certain debts required to be preferred by law that is both mandatory and of general application) at least <i>pari passu</i> with all other present and future unsecured and unsubordinated obligations of the Issuer, as described in Condition 5.
Taxation	A summary of the applicable tax legislation in respect of the Notes, as at the Programme Date, is set out in the section of this Programme Memorandum headed " <i>Taxation</i> " - " <i>South African Taxation</i> ". The summary does not constitute tax advice. Potential investors in the Notes should consult their own professional advisers as to the potential tax consequences of, and their tax positions in respect of, an investment in the Notes.
Terms and Conditions	<p>The Terms and Conditions are set out in the section of this Programme Memorandum headed "<i>Terms and Conditions of the Notes</i>".</p> <p>A Tranche of Notes will be issued on, and subject to, the Terms and Conditions, as replaced, amended and/or supplemented by the terms and conditions of that Tranche of Notes set out in the Applicable Pricing Supplement.</p>
Type of Notes	A Tranche of Notes may comprise, without limitation, Fixed Rate Notes, Floating Rate Notes, Equity Linked Notes, Index Linked Notes, Exchangeable Notes or Zero Coupon Notes (as specified in the Applicable Pricing Supplement) and/or such combination of the foregoing Notes and/or such other type of Notes as may be determined by the Issuer and the relevant Dealer(s) and specified in the Applicable Pricing Supplement.
Use of proceeds	The Issuer will use the proceeds from the issue of a Tranche of Notes for its general corporate purposes or as may otherwise be described in the Applicable Pricing Supplement.
Withholding taxes – the Notes	<p><u>Position as at the Programme Date</u></p> <p>As at the Programme Date, all payments of principal and interest in respect of the Notes will, in terms of the Income Tax Act as at the Programme Date, be made without withholding or deduction for or on account of any Taxes levied in</p>

South Africa. In the event that any such withholding or deduction is required by applicable law, then the Issuer will, subject to the Issuer's rights to redeem that Tranche of Notes following a Tax Event pursuant to Condition 10.4 (and subject to certain exceptions as provided in Condition 11), pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Notes after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes in the absence of such withholding or deduction.

Proposed new withholding tax

In terms of section 61 of the South African Taxation Laws Amendments Act, 2011, of South Africa a new South African withholding tax (**Withholding Tax**) on "*interest*" as defined in section 24J of the Income Tax Act (**Interest**) paid to a non-Resident (that is, a person who or which is not a "*resident*" (as defined in section 1 of the Income Tax Act)) will be introduced in South Africa, with effect from 1 January 2013, as Part 1A of the Income Tax Act (**Part 1A**).

Accordingly, subject to any Withholding Tax relief provided for (or to be provided for) in the case of any applicable double tax treaty and subject to certain exemptions (see below), the Withholding Tax will be applicable to, and imposed in respect of, all payments of Interest under the Notes to non-Resident Noteholders.

However, in terms of the wording of Part 1A as at the Programme Date, payments of Interest under the Notes to non-Resident Noteholders will be exempt from Withholding Tax if such Notes are listed on the Interest Rate Market of the JSE (see the section of this Programme Memorandum headed "*Taxation*" - "*South African Taxation*").

Withholding taxes – the Guarantee

Australian withholding tax

Australian interest withholding tax (**IWT**) is payable on payments of interest, or interest paid on an overdue amount, by the Guarantor to non-residents (other than non-residents holding Notes in the course of carrying on a business at or through a permanent establishment in Australia) or residents of Australia holding Notes in the course of carrying on a business at or through a permanent establishment outside Australia at the rate of 10%. It is unclear whether any payment under the Guarantee in respect of the Notes would constitute a payment of interest, but the better view is that such payments do not constitute interest as defined in, and therefore should not be subject to the IWT provisions of, the Income Tax Assessment Act 1936 of Australia. In addition, if payments under the Guarantee do constitute a payment of interest, then such payments may be exempt under one or more double tax conventions entered into by the Commonwealth of Australia including the double tax convention with South Africa.

South African withholding tax

As at the Programme Date, all payments under the Guarantee to Noteholders will, in terms of the Income Tax Act as at the Programme Date, be made free of withholding or deduction for or on account of any Taxes.

With effect from 1 January 2013, subject to any Withholding Tax relief provided for (or to be provided for) in the case of any applicable double tax treaty and subject to certain exemptions (see below), the Withholding Tax will (following default by the Issuer in the payment of Interest under the Notes) be applicable to, and imposed in respect of, all payments in respect of such Interest made under the Guarantee to non-Resident Noteholders of such Notes.

However, in terms of the wording of Part 1A as at the Programme Date, if payments of Interest under the Notes to non-Resident Noteholders are exempt from Withholding Tax (see "*Withholding taxes – the Notes*" above), payments made under the Guarantee in respect of such Interest to such non-Resident Noteholders will also be exempt from Withholding Tax (see the section of this Programme Memorandum headed "*Taxation*" - "*South African Taxation*").

RISK FACTORS

The Issuer believes that the following investment considerations may affect its ability to fulfil its obligations under the Notes and/or the Guarantor's ability to fulfil its obligations under the Guarantee. All of these investment considerations are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.

Investment considerations which the Issuer believes may be material for the purpose of assessing the risks associated with the Notes and the market for the Notes generally are also described below.

The Issuer believes that the investment considerations described below represent the principal risks inherent in investing in the Notes, but the Issuer may be unable to pay interest, principal or other amounts payable in respect of the Notes and/or the Guarantor may be unable to pay amounts payable under the Guarantee for other reasons which may not be considered significant risks by the Issuer based on information currently available to it or which it may not currently be able to anticipate.

Potential investors should also read the detailed information set out elsewhere in this Programme Memorandum (including all documents incorporated by reference into this Programme Memorandum) and, in relation to a Tranche of Notes, the Applicable Pricing Supplement, and consult their own financial, tax and legal advisers as to the risks and investment considerations arising from an investment in the Notes, the appropriate tools to analyse such an investment, and the suitability of such an investment in the context of the particular circumstances of each investor.

Other than Macquarie Bank Limited (ABN 46 008 583 542) (MBL), no Macquarie Group entity referred to in this Programme Memorandum is an authorised deposit-taking institution for the purposes of the Banking Act 1959 of Australia, and the obligations of any such Macquarie Group entity do not represent deposits or other liabilities of MBL. MBL does not guarantee or otherwise provide assurance in respect of the obligations of any such Macquarie Group entity.

RISKS RELATING TO THE GUARANTOR

The Guarantor's ability to fulfil its obligations under the Guarantee

The factors described below represent the inherent risks relating to the Guarantor and the Macquarie Group. The Issuer does not represent that the statements below regarding the risks relating to the Guarantor and the Macquarie Group are exhaustive. A potential investor should carefully consider the risks below and the other information contained in (or incorporated by reference into) this Programme Memorandum.

The value of the Notes may depend upon, among other things, the ability of the Guarantor to fulfil its obligations under the Guarantee. The Guarantor is the ultimate holding company for all other companies and entities within the Macquarie Group. The Guarantor is not a subsidiary of, nor controlled by, any other company.

The financial prospects of any entity are sensitive to the underlying characteristics of its business and the nature and extent of the commercial risks to which the entity is exposed. There are a number of risks faced by the Guarantor and the Macquarie Group, including those that encompass a broad range of economic and commercial risks, many of which are not within their control. The performance of all of the Macquarie Group's major businesses can be influenced by external market and regulatory conditions. If all or most of the Macquarie Group's businesses were affected by adverse circumstances at or about the same time, overall earnings would suffer significantly. The Macquarie Group's risk management framework incorporates active management and monitoring of risks including market, credit, equity, liquidity, operational, compliance, foreign exchange, legal, regulatory and reputation risks. These risks create the potential for the Guarantor and the Macquarie Group to suffer loss.

Market conditions, including funding

Global market conditions are subject to periods of volatility and change which can negatively impact market liquidity, increase credit spreads and reduce funding availability. Since 2008 global equity and debt markets have experienced some difficult conditions. These challenging market conditions have resulted in periods of reduced liquidity, extreme volatility and declining asset prices, as well as greater counterparty credit risk, widening of credit spreads and lack of price transparency in credit and other markets.

Market conditions also led to the failure of a number of financial institutions and the intervention of government authorities and central banks around the world. Global economic conditions remain uncertain. If the economic climate worsens in the future, the Macquarie Group's financial performance, business or strategy may be adversely affected.

The Macquarie Group relies on equity and debt markets for funding its business. Further instability in these markets may affect the Macquarie Group's ability to access funding, particularly the ability to issue long-term debt securities, to replace maturing liabilities in a timely manner and to access the funding necessary to grow its businesses. In addition, an increase in credit spreads may increase the Macquarie Group's cost of funding. Further, volatile and deteriorating markets may reduce activity and the flow of transactions, which may adversely impact the Guarantor and the Macquarie Group's financial performance. Other risks associated with funding that the Macquarie Group may face are over reliance on a particular funding source or a simultaneous increase in funding costs across a broad range of sources.

Changes in investment markets, including changes in interest rates, exchange rates and returns from any equity, listed and unlisted investment assets, property and other investments, as well as adverse economic conditions, will affect the financial performance of the Macquarie Group, for instance, through its ability to earn base and performance fees and other advisory and client facilitation fees. Further, Macquarie Group's trading income may be adversely impacted during times of subdued market conditions and client activity. In addition, the Macquarie Group may be indirectly adversely affected by the negative performance of any fund managed by the Macquarie Group, as investors and lenders may associate Macquarie Group managed-funds with the Macquarie brand.

In poor market conditions, the Macquarie Group may be required to hold its investment assets for longer, or sell these assets at a lower price than historically expected and this may impact the Macquarie Group's rate of return on these assets and require funding for longer periods than anticipated. This may include situations where potential buyers of the Macquarie Group's investment assets are unable to obtain financing to purchase assets that the Macquarie Group currently holds or purchases.

Capital market volatility may require the Macquarie Group to make writedowns of its funds, management assets and other investments and loan impairment provisions. This would impact the Macquarie Group's financial performance.

Liquidity risk

The Macquarie Group is exposed to the risk that it may become unable to meet its financial commitments when they fall due, which could arise due to mismatches in cashflows. Liquidity is essential to the Macquarie Group's businesses. Liquidity could be impaired by an inability to access credit and debt markets, an inability to sell assets or unforeseen outflows of cash or collateral. In difficult credit and debt markets the Macquarie Group may be forced to find alternative funding sources or fund its operations at a higher cost.

As the global economic crisis emerged, governments and central banks around the globe implemented relief measures in an attempt to restore confidence in financial systems and bolster economic growth. There can be no assurance, however, that such measures will result in a sustained long-term stabilisation of financial markets. In addition, governments have begun to withdraw or alter their support of such relief measures and it is not clear what long term effect these actions, or the consequential impacts of substantial fiscal stimulus on the budgets of sovereigns, will have on global economic conditions or the Macquarie Group's financial condition. If access to public bond markets over the medium term worsens, and other existing avenues of term funding become unavailable, the Macquarie Group may need to consider selling liquid assets.

The commercial soundness of many financial institutions may be closely interrelated as a result of credit, trading, clearing or other relationships among the financial institutions. As a result, concerns, whether well-founded or not, about, or default by, any large financial institution, or by a sovereign that guarantees the indebtedness or other commercial transactions of such an institution, could cause further market-wide liquidity problems which may adversely affect financial institutions such as the Macquarie Group.

Legal, regulatory, compliance and documentation risk

Some of the Macquarie Group's businesses are highly regulated, including regulation relating to prudential and liquidity requirements. Failure to comply with legal and regulatory requirements, including tax laws and regulations, or government policies, may have an adverse effect on the Macquarie Group and its reputation among customers and regulators in the market.

The Macquarie Group could also be adversely affected by future changes in legal, regulatory and compliance requirements (including requirements relating to licensing and the management of conflicts of interest). In particular, any change in regulation of the Macquarie Group to increase the requirements for capital adequacy or liquidity, or a change in accounting standards, could have an adverse effect on the Macquarie Group's businesses. Legal and regulatory requirements may also restrict the ability of subsidiaries of the Guarantor, including the Issuer, to make dividend and other payments to the Guarantor.

A number of regulatory changes have been implemented or proposed in various jurisdictions as a result of the global economic crisis, which may affect certain business activities of the Macquarie Group.

It is not possible to predict what further future regulatory or related changes may result from the global economic crisis or the effect any such changes would have on the Macquarie Group and its businesses.

The Macquarie Group is also exposed to the risk of inappropriate or inadequate documentation of contractual relationships.

New business, acquisitions and mergers and future growth risk

A feature of the operating strategy of the Macquarie Group is growth and diversification. Future growth of the Macquarie Group, including through acquisitions, mergers and other corporate transactions, as well as planned business initiatives and expansions of existing businesses into new jurisdictions may place significant demands on the Macquarie Group's risk management and operational infrastructure. This activity may also bring the Macquarie Group into contact, directly or indirectly, with individuals and entities that are new clients, with new asset classes and other new products or new markets. These business activities expose the Macquarie Group to new and enhanced risks including reputation risks arising from dealing with a range of new counterparties and investors, along with these activities being exposed to the range of risks described in this Programme Memorandum.

With respect to acquisitions, the Macquarie Group may become subject to unknown liabilities of an acquired business, may not achieve expected synergies, cost savings or may otherwise incur losses. The Macquarie Group may lose

market share or customers, or may face disruptions to operations and the Macquarie Group's management time may be diverted to facilitate the integration of acquired businesses.

Market risk

Market risk is the exposure to adverse changes in the value of the Macquarie Group's trading portfolios as a result of changes in market prices or volatility, including risks arising from foreign exchange rates, interest rates, equities, commodities, derivatives (which are subject to settlement and other risks) and the correlation of market prices and rates within and across markets. Any decline in global asset markets, including equity, property, and other asset markets, or in market liquidity, could adversely impact the Macquarie Group's results of operations and financial condition. In addition, a decline in asset prices could negatively impact the fees the Macquarie Group receives from funds that it manages and that invest in such assets.

Furthermore, declining asset prices could adversely impact the Macquarie Group's customers and the security the Macquarie Group holds against loans, which may impact the Macquarie Group's results of operations due to default. These risks may impact the value of financial instruments and other financial assets that are carried at fair market value.

Credit ratings risk

Certain Macquarie Group entities are assigned credit ratings by various rating agencies based on an evaluation of a number of factors, including the Macquarie Group's ability to maintain a stable and diverse earnings stream, strong capital ratios, strong credit quality and risk management controls, diverse funding sources and disciplined liquidity monitoring procedures. If one or more of these credit ratings were downgraded this could have the effect of increasing the cost of funds raised by the Macquarie Group from financial markets, reducing the Macquarie Group's ability to access certain capital markets, triggering the Macquarie Group's obligations under certain of its contracts, and/or adversely impacting the willingness of counterparties to deal with the Macquarie Group. A rating downgrade could be driven by the occurrence of one or more of the risk factors described in this Programme Memorandum or by other events.

Competition risk

The Macquarie Group faces significant competition from local and international competitors, which compete vigorously for participation in the various markets and sectors across which the Macquarie Group operates. In particular, the Macquarie Group competes, both in Australia and internationally, with asset managers, retail and commercial banks, investment banking firms, and other investment and service firms. Any trend toward consolidation in the global financial services industry may create stronger competitors with broader ranges of product and service offerings, increased access to capital, and greater efficiency and pricing power. The effect of competitive market conditions may adversely impact the earnings and assets of the Macquarie Group.

Interest rate risk

Interest rate risk arises from a variety of sources including mismatches between the re-pricing periods of assets and liabilities. As a result of these mismatches, movements in interest rates can affect earnings or the value of the Macquarie Group.

Exchange rate risk

The Macquarie Group's financial statements are presented in Australian dollars. However a portion of the Macquarie Group's operating income is derived from offshore business activities, which are conducted in a broad range of currencies. As such, changes in currency exchange rates may adversely impact the Macquarie Group's financial results, its operations and its regulatory capital and funding position. Further, where the Macquarie Group conducts business activities offshore, capital and funding are generally deployed locally and thus the Macquarie Group's capital is held in, and funding is sourced from, a broad range of currencies.

Credit risk

The Macquarie Group is exposed to the risk of financial loss as a result of failure by a client or other counterparty to meet its contractual obligations. The Macquarie Group assumes counterparty risk in connection with its lending, trading, derivatives and other businesses where it relies on the ability of a third party to satisfy its financial obligations to the Macquarie Group on a timely basis. The resultant credit exposure will depend on a number of factors, including the financial condition of the counterparty, the value of property the Macquarie Group holds as collateral and the market value of the counterparty instruments and obligations the Macquarie Group holds.

Operational risk

The daily operations of the Macquarie Group may result in financial loss, adverse regulatory consequences or reputational damage due to a variety of operational risks including business decisions, technology risk (including failure of the Macquarie Group's business systems or those of its counterparties and service providers), fraud, compliance with legal and regulatory obligations, counterparty performance, business continuity planning, legal and litigation risk, environmental obligations, data integrity and processing risk, managing conflicts of interests and key person risk.

The availability of adequate insurance cover is important in order to mitigate the risks across the Macquarie Group's business activities.

While the Macquarie Group has adopted policies and procedures to control exposure to, and limit the extent of, these risks, there are inherent limitations in any risk management control system and control breakdowns and system failures can occur.

Staff recruitment and retention

The Macquarie Group is reliant on the ability to hire and retain appropriately qualified staff. In order to do this, the Macquarie Group must compensate employees at or above market levels. Current or future laws or regulatory or public scrutiny may restrict the Macquarie Group's ability to move its staff from one jurisdiction to another or change the way the Macquarie Group remunerates its employees. If the Macquarie Group is unable to continue to attract and retain qualified employees, its performance, including its competitive position, could be materially adversely affected.

Reputational risk

The Macquarie Group is substantially dependent on its brand and reputation. If the Macquarie Group suffers damage to its reputation, including damage to the brands used by the Macquarie Group and the funds it manages, for instance, as a result of a conflict of interest, this could reduce business volume as clients might be reluctant to do business with the Macquarie Group due to their negative perceptions. This would adversely impact the Macquarie Group's earnings.

Tax risk

Future tax developments or changes to tax laws or their interpretation may also have a material adverse effect on the Macquarie Group. The Macquarie Group operates in a range of jurisdictions with different tax regimes which are subject to change. The Macquarie Group's after tax earnings may be impacted by changes to the tax treatment of the Guarantor, the Issuer or any of their controlled entities.

Poor performance of funds

The Macquarie Group's financial condition and results of operation are directly and indirectly affected by the results of the funds or the assets it manages, particularly the Macquarie Group's managed funds. As such, poor performance of funds may cause a decline in the Macquarie Group's revenue and results of operations, may adversely affect the Macquarie Group's ability to raise capital for future funds and may also affect the Macquarie Group's brand and reputation.

Other risks

The Macquarie Group's profitability is also subject to a number of other risks including political risk, risks from external events, strategic risks (including corporate transactions and internal restructures), litigation and any associated contingent liabilities.

FACTORS THAT MAY AFFECT THE ISSUER'S ABILITY TO FULFIL ITS OBLIGATIONS UNDER THE NOTES

The factors described below represent the inherent risks relating to the Issuer. The Issuer does not represent that the statements below regarding the risks relating to it are exhaustive. A potential investor should carefully consider the risks below and the other information in this Programme Memorandum.

The value of the Notes depends upon, amongst other things, the ability of the Issuer to fulfil its obligations under the Notes.

The financial prospects of any entity are sensitive to the underlying characteristics of its business and the nature and extent of the commercial risks to which the entity is exposed. There are a number of risks faced by the Issuer, including those that encompass a broad range of economic and commercial risks, many of which are not within its control. The performance of the Issuer's business can be influenced by external market and regulatory conditions. If the Issuer's business is affected by adverse circumstances in the same period, overall earnings would suffer significantly. These risks create the potential for the Issuer to suffer loss.

The principal risks and uncertainties of the Issuer are integrated with the principal risks of the Macquarie Group (see "*Risks relating to the Guarantor*" above). These risks are not managed separately but on a globally consolidated basis for the Guarantor as a whole, including all subsidiaries, in all locations.

Issuer business

The Issuer is primarily engaged in the business of selling structured equity products to South African corporate and institutional clients (see the section of this Programme Memorandum headed "*Description of Macquarie Securities South Africa (Proprietary) Limited*"). The Issuer's business activities and performance may be influenced by a number of risks including:

- **Market risk** - The general market trend for structured equity products is in particular linked to the development of the South African equity markets which are in turn influenced by the global economy as well as economic and political factors at national level. Difficult market conditions, however, may lead to a lower sales volumes and adversely impact the Issuer's results of operations.
- **Liquidity risk** - The Issuer is exposed to the risk that it is unable to meet its financial commitments when they fall due, which could arise due to mismatches in cashflows.
- **Competition risk** - The Issuer faces significant competition from local competitors, which compete vigorously for participation in the structured products market. Any trend toward consolidation in the local financial services industry may create stronger competitors with broader ranges of product and service offerings, increased access to capital, and greater efficiency and pricing power.
- **Interest rate risk** - Interest rate risk arises from a variety of sources including mismatches between the repricing periods of assets and liabilities. As a result of these mismatches, movements in interest rates can affect earnings

of the Issuer.

- Credit risk – The Issuer is exposed to the risk of financial loss as a result of failure by a client or other counterparty to meet its contractual obligations.
- Operational risk - The daily operations of the Issuer may result in financial loss, adverse regulatory consequences or reputational damage due to a variety of operational risks including business decisions, technology risk (including business systems failure), fraud, compliance with legal and regulatory obligations, counterparty performance under outsourcing arrangements, business continuity planning, legal and litigation risk, data integrity and processing risk, managing conflicts of interests and key person risk.
- Reputational risk - The Issuer is substantially dependent on its reputation in the structured products market. If the Issuer suffers damage to its reputation, this could reduce business volume as clients might be reluctant to do business with the Issuer due to their negative perceptions.

Legal, regulatory and tax environment

The Issuer's business in South Africa is highly regulated, including regulation relating to prudential and liquidity requirements. Failure to comply with legal and regulatory requirements, including tax laws and regulations, or government policies, may have an adverse effect on the Issuer and its reputation among customers and regulators in the market.

The Issuer could also be adversely affected by future changes in legal, regulatory and compliance requirements (including requirements relating to licensing and the management of conflicts of interest). In particular, any change in regulation of the Issuer to increase the requirements for capital adequacy or liquidity could have an adverse effect on the Issuer's business.

Future tax developments or changes to tax laws in South Africa may also have a material adverse effect on the Issuer and on its business.

Consumer Protection Act, 2008

The Consumer Protection Act, 2008, of South Africa (the **Consumer Protection Act**) regulates the relationship between suppliers (including the Issuer) and consumers in order to protect the rights of the consumers. The Consumer Protection Act protects consumers who are (i) natural persons and (ii) small business entities with assets or an annual turnover of less than R2,000,000.

Suppliers (including the Issuer) will be strictly liable for any harm caused by goods provided by them to consumers. The Consumer Protection Act sets out the requirements for the form and content of consumer agreements: any unjust, unreasonable or unfair contractual term may be altered or declared void by a court in South Africa. A number of provisions in an agreement will be void unless fair in the circumstances, including certain clauses that commonly appear in standard form contracts.

The Consumer Protection Act creates the possibility for class action suits against suppliers (including the Issuer) of defective goods, which may result in increased litigation, increased costs in dealing with litigation and increased claims for damages against suppliers of goods.

Consumers also have a right to demand the timely performance of services in a manner and quality that consumers are generally entitled to expect, failing which, the consumer will have a right of recourse against the supplier.

Companies Act, 2008

Subject to certain exceptions as set out below, the Companies Act, 2008, of South Africa (the **Companies Act**) has replaced the Companies Act, 1973, of South Africa (the **old Companies Act**) in its entirety. The Issuer is subject to the applicable provisions of the Companies Act.

The Companies Act provides for business rescue, a substantively non-judicial, commercial process that, in the first instance, aims to rescue a financially distressed company and maximise the likelihood of the company's continued existence on a solvent basis. Once appointed, a business rescue practitioner is given significant powers, in terms of section 136(2) of the Companies Act, to suspend (or, with the sanction of the court, cancel) entirely, partially or conditionally any provision of an agreement to which a company is a party at the commencement of the business rescue period (other than an agreement of employment or an agreement contemplated in sections 35A and 35B of the Insolvency Act, 1936), notwithstanding any contrary provision contained in the agreement itself.

The transitional provisions set out in the Companies Act provide that, until a date to be determined by the Minister of Trade and Industry, the old Companies Act will (subject to certain exceptions) continue to apply with respect to the winding up and liquidation of companies under the Companies Act.

Whereas "shares" under the old Companies Act only included certain categories of debt securities for purposes of "offers to the public", the Companies Act now defines "securities" as "any shares, debentures or other instruments, irrespective of their form or title, issued or authorized to be issued by a profit company" for all purposes.

Previously, limited liability "private" companies (including the Issuer) were required to restrict the transferability of their "shares" (ordinary equity) only on the secondary market. Limited liability "private" companies are, in terms of the Companies Act, now required to restrict the issue and transferability of their "securities" (including debt securities – see above) on both the primary and secondary markets. This will impact on current "private" company issuers of debt securities which are listed on the JSE (as well as "private" company special purpose vehicles set up for purposes of

securitization (and other ring-fenced) schemes). Subject to a definitive interpretation of the applicability of the two-year moratorium provisions set out in the transitional provisions of the Companies Act (and failing an appropriate amendment to the Companies Act), these "private" company issuers (including the Issuer) will need to convert to "public" companies by 30 April 2013 or, alternatively, these "private" company issuers may continue as private (limited liability) companies provided that they stop issuing (i) listed debt instruments and (ii) unlisted debt instruments which are issued to the public on the primary market and (iii) unlisted debt instruments which are freely transferable on the secondary market.

The Companies Act extends shareholders' rights against companies and directors, and directors, prescribed officers and committee members will now face more extensive and stricter grounds for personal liability for their actions in the company than they did under the Old Companies Act. The Companies Act introduces class action suits against companies, directors and company officers by persons whose rights are affected by the company. Companies will thus face a greater risk of litigation and the costs thereof.

Exchange controls

Since 1995, certain exchange controls in South Africa were relaxed. The extent to which the South African Government (the **Government**) may further relax such exchange controls cannot be predicted with certainty, although the Government has committed itself to a gradual approach of relaxation. Further relaxation, or abolition of exchange controls, may precipitate a change in the capital flows to and from South Africa. If the net result of this were to cause large outer outflows, this could adversely affect the Issuer's business and it could have an adverse effect on the financial conditions of the Issuer as a whole. In the event of the immediate abolition of exchange controls there may be a sudden withdrawal of Rand from the South African market by investors.

RISKS RELATING TO THE NOTES GENERALLY

The Notes may not be a suitable investment for all investors

Investors should have (either alone or with the help of a financial adviser) sufficient knowledge and experience in financial and business matters to meaningfully evaluate the merits and risks of investing in a particular issue of Notes and the information contained in or incorporated by reference into this Programme Memorandum, or any Applicable Pricing Supplement, as well as access to, and knowledge of, appropriate analytical tools to evaluate such merits and risks in the context of their particular circumstances.

Risks related to the structure of a particular issue of Notes

A range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. The risks of a particular Tranche of Notes will depend on the applicable Terms and Conditions of that Tranche of Notes, but may include, without limitation, the possibility of significant changes in the values of the applicable interest rates or other indices or formula. Prospective investors could lose all or a substantial portion of their investment.

Such risks generally depend on factors over which the Issuer has no control and which cannot readily be foreseen, such as economic and political events and the supply of and demand for the relevant securities, assets or other property. Neither the current nor the historical price, value or performance of (A) the relevant interest rates or other indices or formulae, (B) the relevant classes of securities, assets or other property, or (C) the relevant entities should be taken as an indication of future price, value or performance during the term of any Tranche of Notes.

In addition, certain issues of Notes may not be an appropriate investment for investors who are inexperienced with respect to:

- the applicable interest rate indices, currencies, other indices or formulas, or redemption or other rights or options; or
- investments where the amount of principal and/or interest payable (if any) is based on the price, value, performance or some other factor and/or the creditworthiness of one or more entities.

Index Linked Notes

The Issuer may issue Index Linked Notes the terms of which provide for interest or principal payable in respect of such Note to be determined by reference to an index or formula, to changes in the prices of securities or commodities, to movement in currency exchange rates or other factors (each, a **Relevant Factor**). Potential investors should be aware that:

- the market price of such Notes may be volatile;
- no interest may be payable on such Notes;
- payments of principal or interest on such Notes may occur at a different time than expected;
- the amount of principal payable at redemption may be less than the Nominal Amount of such Notes or even zero;
- a Relevant Factor may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;
- if a Relevant Factor is applied to Notes in conjunction with a multiplier greater than one or contains some other leverage factor, the effect of changes in the Relevant Factor on principal or interest payable is likely to be magnified; and

- the timing of changes in a Relevant Factor may affect the actual yield to Noteholders, even if the average level is consistent with expectations: in general, the earlier the change in the Relevant Factor, the greater the effect on yield.

Other Notes

The risks (if any) of investing in particular types of Notes (such as Equity Linked Notes) which are not set out in, or covered by, this section of the Programme Memorandum head "Risk Factors" will be set out in a supplement to this Programme Memorandum prior to the Issue Date of the first Tranche of such Notes to be issued under the Programme.

Issue Price and optional redemption risks

If the Call Option is applicable to a Tranche of Notes, the Issuer may, at its option, redeem that Tranche of Notes (in whole or in part) on the Optional Redemption Date (Issuer), as set out in Condition 10.3. In addition, the Issuer may, at its option, redeem Tranche(s) of Notes in a Series (in whole but not in part) on the Early Redemption Date, in the circumstances set out in Condition 10.4. An optional redemption feature is likely to limit the market value of the Notes. During any period when the Issuer may elect to redeem the Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This may also be true prior to any redemption period. The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the Interest Rate applicable to the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the Interest Rate applicable to the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Meetings of Noteholders

Condition 20 contains provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who do not attend and vote at the relevant meeting and Noteholders who vote in a manner contrary to the majority.

Change of law

This Programme Memorandum and, subject to Condition 7.2.2, the Notes and the applicable Terms and Conditions, are governed by, and will be construed in accordance with, the laws of South Africa. The Guarantee is governed by, and will be construed in accordance with, the laws of New South Wales, Australia. No assurance can be given as to the impact of any possible judicial decision or change to the laws of South Africa or the laws of New South Wales, Australia or administrative practice in either such jurisdiction after the Programme Date.

RISKS RELATING TO THE MARKET FOR NOTES GENERALLY

The secondary market generally

The Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. Generally, these types of Notes will have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Notes.

In addition, Noteholders should be aware that global credit market conditions may lead to a general lack of liquidity in the secondary market for instruments similar to the Notes. Such lack of liquidity may result in investors suffering losses on the Notes in secondary re-sales even if there is no decline in the performance of the assets of the Issuer.

Exchange rate risks

The Issuer will pay principal and interest in respect of a Tranche of Notes in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the **Investor's Currency**) other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency will decrease (i) the Investor's Currency-equivalent yield on the Notes, (ii) the Investor's Currency-equivalent value of the principal payable on the Notes and (iii) the Investor's Currency-equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Interest rate risks

Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Fixed Rate Notes.

The market values of securities issued at a substantial discount or premium to their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities issued at par value. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to

interest-bearing securities issued at par value with comparable maturities.

Noteholders may suffer unforeseen losses due to fluctuations in interest rates. Generally, a rise in interest rates may cause a fall in bond prices.

Rating of the Programme and/or a Tranche of Notes may not reflect all risks

As at the Programme Date, the Programme has been assigned a Rating of BBB/A-2 (Global Scale) and zaAA-/zaA-1 (SA National Scale) from Standard & Poor's. A Tranche of Notes may, on or before the Issue Date, be rated by a Rating Agency on a national scale or international scale basis. Unrated Tranches of Notes may also be issued. Neither the Rating of the Programme nor the Rating of a Tranche of Notes will necessarily reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of a Tranche of Notes. Neither a Rating of the Programme nor a Rating of a Tranche of Notes is a recommendation to subscribe for, buy, sell or hold any Notes, inasmuch as, among other things, a Rating does not comment on the market price or suitability of the Notes for a particular investor.

A Rating of a Tranche of Notes only addresses the likelihood that the Applicable Redemption Amount of Notes in that Tranche will be fully repaid by the Maturity Date and that the interest (if any) payable in respect of such Notes will be paid on a timely basis. In addition, there can be no assurance that a Rating of the Programme and/or a Tranche of Notes will remain for any given period of time and such Rating may be subject to suspension, cancellation, reduction or withdrawal at any time.

There can be no assurance of any connection between a Rating on a national scale basis and a Rating on an international scale basis. A Rating assigned to the Programme and/or a Tranche of Notes by a rating agency that has not been requested by the Issuer to do so, may be lower than the equivalent Rating of the Programme and/or that Tranche of Notes assigned by the Rating Agency appointed by the Issuer, or such rating agency may rate the Programme and/or a Tranche of Notes on an international scale basis which may be lower than the Rating on a national basis assigned to the Programme and/or that Tranche of Notes by the Rating Agency appointed by the Issuer. Any adverse change in the Rating of the Programme and/or a Tranche of Notes could adversely affect the trading price of all or any of the Notes.

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing, and (3) other restrictions (including, without limitation, the treatment and/or reporting of the Notes under and/or for purposes of the Exchange Control Regulations) that apply (or may apply) to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

FORM OF THE NOTES

A Tranche of Notes may be issued in the form of Registered Notes (see "*Registered Notes*" below), Bearer Notes (see "*Bearer Notes*" below) or Order Notes (see "*Order Notes*" below), as specified in the Applicable Pricing Supplement.

REGISTERED NOTES

Notes issued in uncertificated form

Each Tranche of Notes which is listed on the Interest Rate Market of the JSE and each Tranche of unlisted Notes will be issued in registered uncertificated form, in terms of section 37 of the Securities Services Act, and will be held in the CSD (see "*Beneficial Interests in Notes held in the CSD*" below). Notes issued in registered uncertificated form will not be represented by any certificate or written instrument.

Beneficial Interests in Notes held in the CSD

While a Tranche of Notes is held in its entirety in the CSD, the CSD's Nominee will be named in the Register as the sole Noteholder of the Notes in that Tranche.

The CSD will hold each Tranche of Notes subject to the Securities Services Act and the Applicable Procedures. All amounts to be paid and all rights to be exercised in respect of Notes held in the CSD will be paid to and may be exercised only by the CSD's Nominee for the holders of Beneficial Interests in such Notes.

The CSD maintains central securities accounts only for Participants. As at the Programme Date, the Participants are Absa Bank Limited, FirstRand Bank Limited, Nedbank Limited, The Standard Bank of South Africa Limited and the South African Reserve Bank.

Beneficial Interests which are held by Participants will be held directly through the CSD, and the CSD will hold such Beneficial Interests, on behalf of such Participants, through the central securities accounts maintained by the CSD for such Participants.

The Participants are in turn required to maintain securities accounts for their clients. Beneficial Interests which are held by clients of Participants will be held indirectly through such Participants, and such Participants will hold such Beneficial Interests, on behalf of such clients, through the securities accounts maintained by such Participants for such clients. The clients of Participants may include the holders of Beneficial Interests in the Notes or their custodians. The clients of Participants, as the holders of Beneficial Interests or as custodians for such holders, may exercise their rights in respect of the Notes held by them in the CSD only through their Participants. Euroclear and Clearstream Banking may hold Notes through their Participant.

In relation to each person shown in the records of the CSD or the relevant Participant, as the case may be, as the holder of a Beneficial Interest in a particular Outstanding Nominal Amount of Notes, a certificate or other document issued by the CSD or the relevant Participant, as the case may be, as to the Outstanding Nominal Amount of such Notes standing to the account of any person shall be *prima facie* proof of such Beneficial Interest. The CSD's Nominee (as the registered Noteholder of such Notes named in the Register) will be treated by the Issuer, the Paying Agent, the Transfer Agent and the relevant Participant as the holder of that Outstanding Nominal Amount of such Notes for all purposes.

Title to Beneficial Interests held by Participants directly through the CSD will pass on transfer thereof by electronic book entry in the central securities accounts maintained by the CSD for such Participants. Title to Beneficial Interests held by clients of Participants indirectly through such Participants will pass on transfer thereof by electronic book entry in the securities accounts maintained by such Participants for such clients. Beneficial Interests may be transferred only in accordance with the Applicable Procedures. Holders of Beneficial Interests vote in accordance with the Applicable Procedures.

Notes represented by Individual Certificates

The holder of a Beneficial Interest will only be entitled to exchange such Beneficial Interest for Notes represented by an Individual Certificate in accordance with Condition 12.1.

Title to Notes represented by Individual Certificates will pass upon registration of transfer in accordance with Condition 14.1.

The Issuer, the Paying Agent and the Transfer Agent shall regard the Register as the conclusive record of title to the Notes represented by Individual Certificates.

Payments of all amounts due and payable in respect of Notes represented by Individual Certificates will be made in accordance with Condition 9 to the person reflected as the registered Noteholder of such Notes in the Register at 17h00 (South African time) on the Last Day to Register.

BEARER NOTES

A Tranche of Bearer Notes will be embodied in, and represented by, Bearer Certificate(s).

Bearer Certificates which represent and embody interest-bearing Bearer Notes shall, if indicated in the Applicable Pricing Supplement, have interest Coupons attached to the relevant Bearer Certificates on issue. Bearer Certificates which

represent and embody Bearer Notes which are repayable in instalments shall have Receipts for the payment of the instalments of principal (other than the final instalment) attached to the relevant Bearer Certificates on issue.

The disposal or acquisition of or dealing in Bearer Notes is subject to the prior written approval of the Minister of Finance (or a person authorised by the Minister of Finance) in accordance with Regulation 15 of the Exchange Control Regulations.

Title to Bearer Notes will pass by delivery of the relevant Bearer Certificate in accordance with Condition 14.2.

ORDER NOTES

A Tranche of Order Notes will be embodied in, and represented by, Order Certificate(s).

Order Certificates which represent and embody interest-bearing Order Notes shall, if indicated in the Applicable Pricing Supplement, have interest Coupons attached to the relevant Order Certificates on issue. Order Certificates which represent and embody Order Notes which are repayable in instalments shall have Receipts for the payment of the instalments of principal (other than the final instalment) attached to the relevant Order Certificates on issue.

Title to Order Notes will pass by way of Endorsement and delivery of the relevant Order Certificate in accordance with Condition 14.3.

PRO FORMA APPLICABLE PRICING SUPPLEMENT

Each Tranche of Notes which is to be listed on the Interest Rate Market of the JSE will be issued in the form of Registered Notes. The form of Applicable Pricing Supplement which will be completed for each such Tranche of Notes is set out below.

The form of Applicable Pricing Supplement which will be completed for each Tranche of Registered Notes which is to be listed on any Relevant Stock Exchange other than (or in addition to) the Interest Rate Market of the JSE will, subject to the rules of that Relevant Stock Exchange and all Applicable Laws, be substantially in the form set out below, adapted, as applicable, to comply with the rules of that Relevant Stock Exchange and all Applicable Laws.

The form of Applicable Pricing Supplement which will be completed for each Tranche of unlisted Notes, each Tranche of Bearer Notes and each Tranche of Order Notes will be substantially in the form set out below, adapted, as applicable, in such manner as is agreed by the Issuer and the relevant Dealer(s).

ZAR5,000,000,000 DEBT INSTRUMENT PROGRAMME

MACQUARIE SECURITIES SOUTH AFRICA (PROPRIETARY) LIMITED
(incorporated with limited liability under registration number 2006/023546/07 in the Republic of South Africa)

Unconditionally and irrevocably guaranteed by

MACQUARIE GROUP LIMITED

((ABN 94 122 169 279), a corporation constituted with limited liability under the laws of the Commonwealth of Australia)



Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes] due [Maturity Date]

This document constitutes the Applicable Pricing Supplement relating to the issue of the Tranche of Notes described herein.

This Applicable Pricing Supplement must be read in conjunction with the amended and updated Programme Memorandum dated 17 May 2012 (as further amended and/or supplemented from time to time) (the **Programme Memorandum**) prepared by Macquarie Securities South Africa (Proprietary) Limited (the **Issuer**) in connection with the Macquarie Securities South Africa (Proprietary) Limited ZAR5,000,000,000 Debt Instrument Programme (the **Programme**).

The Programme Memorandum was approved by JSE Limited (the **JSE**) on 16 May 2012.

To the extent that there is any conflict or inconsistency between the provisions of this Applicable Pricing Supplement and the Programme Memorandum, the provisions of this Applicable Pricing Supplement shall prevail.

Any capitalised terms not defined in this Applicable Pricing Supplement shall have the meaning ascribed to them in the section of the Programme Memorandum headed "*Terms and Conditions of the Notes*" (the **Terms and Conditions**). References to any Condition in this Applicable Pricing Supplement are to that Condition of the Terms and Conditions.

A. DESCRIPTION OF THE NOTES

- | | | |
|----|---------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. | Issuer | Macquarie Securities South Africa (Proprietary) Limited |
| 2. | Guarantor | Macquarie Group Limited |
| 3. | Tranche number | [] |
| 4. | Series number | [] |
| 5. | Status of the Notes | The Notes are direct, unconditional, unsubordinated and (subject to the provisions of Condition 7) unsecured obligations of the Issuer and rank <i>pari passu</i> and rateably without any preference or priority among themselves and (save for certain debts required to be preferred by law that is both mandatory and of general application) at least <i>pari passu</i> with all other present and future unsecured and unsubordinated obligations of the Issuer, as described in Condition 5. |

6. Security Unsecured
7. Form of the Notes Registered Notes.
The Notes in this Tranche are issued in registered uncertificated form and will be held in the CSD.
8. Type of Notes [Fixed Rate Notes] [Floating Rate Notes] [Index Linked Notes] [Exchangeable Notes] [Equity Linked Notes] [Zero Coupon Notes] [specify other]
9. Issue Date/First Settlement Date []
10. Issue Price ZAR[] [[]% of the Principal Amount]
11. Interest Basis [[]% Fixed Rate] [[specify Reference Rate] +/- []%] Floating Rate] [Zero Coupon] [Index Linked Interest] [specify other]
12. Redemption/Payment Basis [Redemption at par] [Index Linked Redemption] [specify other]
13. Change of Interest or Redemption/ Payment Basis [specify details of any provision for convertibility of Notes into another interest or redemption/payment basis]
14. Aggregate Nominal Amount ZAR[]
15. Specified Currency [ZAR] [specify other]
16. Specified Denomination (Nominal Amount per Note) [ZAR1,000,000] [specify other]
17. Minimum Specified Denomination of each Note ZAR1,000,000
18. Business Day Convention [Following Business Day Convention] [Floating Rate Business Day Convention] [Modified Following Business Day Convention] [Preceding Business Day Convention] [specify other]

B. PROGRAMME AMOUNT

1. Programme Amount as at the Issue Date [ZAR5,000,000,000] [specify other]
2. Aggregate Outstanding Nominal Amount of all of the Notes issued under the Programme (including all Notes in issue under the Programme pursuant to the Previous Programme Memorandum) as at the Issue Date ZAR[], excluding the aggregate Nominal Amount of this Tranche and any other Tranche(s) of Notes issued on the Issue Date specified in Item A(9) above.

C. FIXED RATE NOTES (*delete if not applicable)

1. Rate[(s)] of Interest []% per annum payable [annually] [semi-annually] [quarterly] [monthly] in arrear
2. Interest Commencement Date []
3. Interest Payment Date(s) []
4. First Interest Payment Date []
5. Interest Periods [The first Interest Period shall commence on (and include) the Interest Commencement Date and end on (but exclude) the first Interest Payment Date. Thereafter, each successive Interest Period shall commence on (and include) the immediately preceding Interest Payment Date and end on (but exclude) the immediately following Interest Payment Date; provided that the final Interest Period shall end on (but exclude) the Final Redemption Date.] [specify other]
6. Initial Broken Amount [Not Applicable] []
7. Final Broken Amount [Not Applicable] []
8. Day Count Fraction [Actual/365] [30/360] [Actual/Actual (ICMA)] [Actual/Actual (ISDA)] [specify other]
9. Default Rate [[]% per annum] [specify other]
10. Other terms relating to the method of calculating interest for Fixed [Not Applicable] [give details]

Rate Notes

D. FLOATING RATE NOTES (*delete if not applicable)

1. Interest Commencement Date []
2. Interest Payment Date(s) []
3. First Interest Payment Date []
4. Interest Periods [The first Interest Period shall commence on (and include) the Interest Commencement Date and end on (but exclude) the first Interest Payment Date. Thereafter, each successive Interest Period shall commence on (and include) the immediately preceding Interest Payment Date and end on (but exclude) the immediately following Interest Payment Date; provided that the final Interest Period shall end on (but exclude) the Final Redemption Date.] *[specify other]*
5. Manner in which the Rate(s) of Interest is/are to be determined [ISDA Determination] [Screen Rate Determination] *[specify other]*
6. **If ISDA Determination applicable:**
 - (a) Floating Rate Option []
 - (b) Designated Maturity []
 - (c) Reset Date []
7. **If Screen Rate Determination applicable:**
 - (a) Reference Rate [JIBAR (being, subject to Condition 8.3.3, the average mid-market yield rate per annum for 3-month deposits in Rand which appears on the Relevant Screen Page as the "SFX 3M YIELD" at or about the Relevant Time on the Interest Determination Date, determined by the Calculation Agent in accordance with Condition 8.3.3)] *[specify other]*
 - (b) Interest Determination Date [The first day of each Interest Period] *[specify other]*
 - (c) Relevant Screen Page [Reuters Screen SAFEY page] *[specify other]*
 - (d) Relevant Time [11h00 (South African time)] *[specify other]*
8. **If Other Determination applicable:** *[give details]*
9. Margin [Not Applicable] [[]% per annum]
10. Minimum Rate of Interest [Not Applicable] [[]% per annum]
11. Maximum Rate of Interest [Not Applicable] [[]% per annum]
12. Day Count Fraction [Actual/365] [30/360] [Actual/Actual (ICMA)] [Actual/Actual (ISDA)] *[specify other]*
13. Default Rate [[]% per annum] *[specify other]*
14. Fall back provisions, rounding provisions and any other terms relating to the method of calculating interest for Floating Rate Notes [Not Applicable] *[give details]*

E. INDEX LINKED NOTES (*delete if not applicable)

1. Type of Index Linked Notes [Indexed Interest Notes] [Indexed Redemption Amount Notes]
2. Index/Formula by reference to which Interest Rate / Interest Amount / Applicable Redemption Amount is to be determined *[give details]*
3. Manner in which the Interest Rate / Interest Amount / Applicable Redemption Amount is to be determined *[give details]*
4. Provisions where calculation by reference to Index/Formula is *[give details]*

impossible or impracticable

5. Interest Commencement Date []
6. Interest Payment Date(s) []
7. First Interest Payment Date []
8. Interest Periods []
9. Minimum Rate of Interest [Not Applicable] [] % per annum]
10. Maximum Rate of Interest [Not Applicable] [] % per annum]
11. Day Count Fraction [Actual/365] [30/360] [Actual/Actual (ICMA)] [Actual/Actual (ISDA)] [specify other]
12. Market Disruption or Settlement Disruption Events [Describe any market disruption or settlement disruption events that affect the Index]
13. Other terms relating to the calculation of Interest Rate / Interest Amount / Applicable Redemption Amount [Not Applicable] [give details]

F. EXCHANGEABLE NOTES (*delete if not applicable)

1. Mandatory Exchange [Applicable] [Not Applicable]
2. Noteholders' Exchange Right [Applicable] [Not Applicable]
3. Exchange Securities [give details]
4. Manner of determining Exchange Price [give details]
5. Exchange Period []
6. Other terms [Not Applicable] [give details]

G. EQUITY LINKED NOTES (*delete if not applicable)

1. Whether this Tranche of Notes relates to a single equity security or a basket of equity securities (each, an **Underlying Equity**) and the identity of the issuer(s) of the Underlying Equity(ies) (each, an Equity Issuer) [Single Underlying Equity] (Note: specify or annex details)
[Equity Issuer [Specify]]
[Basket of Underlying Equities] (Note: specify or annex details)
[Equity Issuers [Specify]]
2. Whether redemption of this Tranche of Notes will be by (i) Cash Settlement, (ii) Physical Settlement or (iii) in certain circumstances depending on the closing price of the Underlying Equity/ies, Cash Settlement or Physical Delivery at the option of the Issuer: [Cash Settlement]
[Physical Settlement]
[In the event of (describe triggers linked to the closing price of the Underlying Equity/ies), Cash Settlement or Physical Settlement at the option of the Issuer]
3. Exchange[s]: [specify]
4. Related Exchange[s]: [specify]
5. Valuation Dates(s): [specify dates in each year]
6. Valuation Time: [specify]
7. Multiplier for each Underlying Equity comprising the basket of Equities [(which is subject to adjustment)]: [specify]
8. Trade Date [specify]
9. Relevant Assets [specify]
10. Asset Amount [specify]
11. Cut-off Date [specify]
12. Delivery provisions for Asset

Amount (including details of who is to make such delivery):

13. If Cash Settlement applicable:

(a) Cash Settlement Amount [specify]

14. If Physical Settlement applicable:

(a) Delivery provisions for Underlying Equity/ies (including details of who is to make such delivery): [specify]

15. Potential Adjustment Events:

16. Disrupted Day: [specify]

17. Additional Disruption Events:

18. 2002 ISDA Equity Derivatives Definitions [Applicable] [Not Applicable]
If applicable:

Save where expressly otherwise provided for in this Item G, the 2002 ISDA Equity Derivatives Definitions as at [specify date], as published by the International Swaps and Derivatives Association Inc. (the **2002 ISDA Equity Derivatives Definitions**) are incorporated by reference into and form part of and apply in an to this Item G. The expressions defined in the 2002 ISDA Equity Derivatives Definitions shall, save where otherwise defined in this Item G, have the same meanings in this Item G.

19. Other terms or special conditions [Not Applicable] [give details]

H. ZERO COUPON NOTES (*delete if not applicable)

1. Amortisation Yield [] % per annum [NACA] [specify other] (Note: see Condition 8.6.7.2)

2. Accrual Yield [] % per annum [NACA] [specify other] (Note: see Condition 10.9)

3. Reference Price ZAR[]

4. Any other formula or basis for determining the amount payable on redemption of Zero Coupon Notes [Not Applicable] [give details]

I. OTHER NOTES (*delete if not applicable)

1. If the Notes are not Floating Rate Notes, Fixed Rate Notes, Mixed Rate Notes, Index Linked Notes, Exchangeable Notes, Partly Paid Notes, Instalment Notes or Zero Coupon Notes, or if the Notes are a combination of any of the foregoing, set out the relevant description and any additional terms and conditions applicable to such Notes [give details]

J. REDEMPTION

1. **Redemption at maturity:**

(a) Maturity Date []

(b) Final Redemption Amount [the aggregate Outstanding Nominal Amount of this Tranche] [specify other]

2. **Put Option:** [Applicable] [Not Applicable] (Note: see Condition 10.2)

3. If Put Option applicable:

(a) **Redemption in whole:**

a) Optional Redemption Date [] (Note 1: specify the Optional Redemption Date (Noteholder) on which (subject to Condition 10.2.2) the Issuer will be required to redeem all or any (as specified in the Put Option Notice) of the Notes in this Tranche held by the relevant Noteholder (the **relevant Notes**) in full in terms of Condition 10.2.4)

(Note 2: if no date is specified above, the Optional Redemption Date (Noteholder) will be the Interest Payment Date (in the case of interest-bearing Notes) or other date (in the case of non interest-bearing Notes) stipulated as the Optional Redemption Date (Noteholder) in the Put Option Notice)

(b) *Redemption in part:*

- b) Optional Redemption Date/s (Noteholder) [] [] [] [] (Note 1: specify each Optional Redemption Date (Noteholder) on which (subject to Condition 10.2.2) the Issuer will be required to redeem the relevant Notes in part in terms of Condition 10.2.4)

(Note 2: if no dates are specified above, each Optional Redemption Date (Noteholder) will be the Interest Payment Date (in the case of interest-bearing Notes) or other date (in the case of non interest-bearing Notes) stipulated as the Optional Redemption Date (Noteholder) in the Put Option Notice)

- c) Percentage of the aggregate Outstanding Nominal Amount to be redeemed []% []% []% []% (Note 1: specify the percentage of the aggregate Outstanding Nominal Amount of the relevant Notes which (subject to Condition 10.2.2) the Issuer will be required to redeem on each Optional Redemption Date (Noteholder))

(Note 2: if no percentage(s) is/are specified above, the percentage of the aggregate Outstanding Nominal Amount of the relevant Notes which (subject to Condition 10.2.2) the Issuer will be required to redeem on each Optional Redemption Date (Noteholder) will be the percentage specified in the Put Option Notice)

- (c) Optional Redemption Amount (Put) [the aggregate Outstanding Nominal Amount (or the relevant portion thereof (see Item (b) above)) of the relevant Notes] [the Amortised Face Amount (or the relevant portion thereof (see Item (b) above)) of the relevant Notes] [specify other]

- (d) Put Option Notice In order to exercise the Put Option in respect of the whole of any portion of the relevant Notes, the relevant Noteholder shall, not less than 30 (thirty) nor more than 60 (sixty) days before the Optional Redemption Date (Noteholder), send the duly completed and signed Put Option Notice to the Issuer (with a copy of the Put Option Notice to the Paying Agent, the Calculation Agent and the Transfer Agent) (see Condition 10.2.2).

- (e) *Pro forma* Put Option Notice attached [Yes] [No]

4. **Call Option:** [Applicable] [Not Applicable] (Note: see Condition 10.3)

5. If Call Option applicable:

- (a) *Notice Period:* [30 days] [specify other] (Note: see Condition 10.3.1)

(b) *Redemption in whole:*

- a) Optional Redemption Date (Issuer) [] (Note 1: specify the Optional Redemption Date (Issuer) on which the Issuer will redeem this Tranche in full in terms of Condition 10.3)

(Note 2: if no date is specified above, the Optional Redemption Date (Issuer) will be the Interest Payment Date (in the case of interest-bearing Notes) or other date (in the case of non interest-bearing Notes) stipulated as the Optional Redemption Date (Issuer) in the notice of redemption given by the Issuer in terms of Condition 10.3)

(c) *Redemption in part:*

- b) Optional Redemption Date/s (Issuer) [] [] [] [] (Note 1: specify each Optional Redemption Date (Issuer) on which the Issuer will redeem this Tranche in part in terms of Condition 10.3)

(Note 2: if no dates are specified above, each Optional Redemption Date (Issuer) will be the Interest Payment Date (in the case of interest-bearing Notes) or other date (in the case of non interest-bearing Notes) stipulated as the Optional Redemption Date (Issuer) in the notice of redemption given by the Issuer in terms of Condition 10.3)

- c) Percentage of the aggregate Outstanding Nominal Amount to be redeemed []% []% []% []% (Note 1: specify the percentage of the aggregate Outstanding Nominal Amount of this Tranche which will be redeemed on each Optional Redemption Date)

(Issuer))

(Note 2: if no percentage(s) is/are specified above, the percentage of the aggregate Outstanding Nominal Amount of this Tranche which will be redeemed on each Optional Redemption Date (Issuer) will be the percentage specified in the notice of redemption given by the Issuer in terms of Condition 10.3)

- (d) Optional Redemption Amount (Call) [the aggregate Outstanding Nominal Amount (or the relevant portion thereof (see Item (c) above)) of this Tranche] [the Amortised Face Amount (or the relevant portion thereof (see Item (c) above)) of this Tranche] [specify other]

6. **Optional early redemption following a Tax Event and/or a Change in Law** Applicable (Note: see Condition 10.4)

- (a) Early Redemption Date The Interest Payment Date (in the case of interest-bearing Notes) or other date (in the case of non interest-bearing Notes) stipulated as the date for redemption of this Tranche in the notice of redemption given by the Issuer in terms of Condition 10.4.

- (b) Early Redemption Amount [the aggregate Outstanding Nominal Amount of this Tranche] [the Amortised Face Amount of this Tranche] [specify other]

7. **Other terms:** [Not Applicable] [give details of any other terms relating to the redemption of this Tranche]

K. ADDITIONAL TERMS (*delete if not applicable)

1. Specify the additional terms and conditions (if any) which are applicable to this Tranche [Not Applicable] [give details]

L. AGENTS AND SPECIFIED OFFICES

1. Calculation Agent [The Issuer] [specify other]
 2. Specified Office of the Calculation Agent [Level 6, The District, 41 - 45 Sir Lowry Road, Woodstock Cape Town, 7925, South Africa] [specify other]
 3. Paying Agent [The Issuer] [specify other]
 4. Specified Office of the Paying Agent [Level 6, The District, 41 - 45 Sir Lowry Road, Woodstock Cape Town, 7925, South Africa] [specify other]
 5. Transfer Agent [The Issuer] [specify other]
 6. Specified Office of the Transfer Agent [Level 6, The District, 41 - 45 Sir Lowry Road, Woodstock Cape Town, 7925, South Africa] [specify other]

M. REGISTER CLOSED

1. Last Day to Register Up until 17h00 (South African time) on the [sixth] [specify other] day (whether such is a Business Day or not) preceding each Interest Payment Date (where applicable) and the Final Redemption Date.
 2. Books Closed Period The Register will be closed during the [five] [specify other] days preceding each Interest Payment Date (where applicable) and the Final Redemption Date from 17h00 (South African time) on the Last Day to Register until 17h00 (South African time) on the day preceding each Interest Payment Date (where applicable) and the Final Redemption Date, being the period during which the Register is closed for purposes of giving effect to transfers, redemptions or payments in respect of this Tranche of Notes.
 3. Books Closed Dates [specify]

N. GENERAL

1. Exchange Control Approval [Not Applicable] [Applicable] (Note: The issue of this Tranche may, depending on the type of Notes in this Tranche, require the prior written approval of the Exchange Control Authorities in terms of the Exchange Control Regulations.)
 [The Issuer has, as required by the Exchange Control Regulations, obtained the prior written approval of the Exchange Control Authorities for the issue and listing of this Tranche on the Interest Rate Market of the JSE]
 2. Additional selling restrictions [Not Applicable] [give details]

- | | | |
|-----|---------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 3. | International
Numbering (ISIN) | Securities [] |
| 4. | Stock Code Number | [] |
| 5. | Financial Exchange | JSE Limited (Interest Rate Market) |
| 6. | Method of Distribution | [Private Placement] [Method of Distribution set out in the Term Sheet, dated [], prepared by [] and sent to potential investors for purposes of placing the Notes in this Tranche] [Dutch Auction] [<i>specify other</i>] |
| 7. | Names of Dealer(s) | [Not Applicable] [<i>specify</i>] |
| 8. | Stabilisation Manager (if applicable) | [Not Applicable] [<i>give details</i>] |
| 9. | Governing law | Subject to Condition 7.2.2, the Notes and the applicable Terms and Conditions are governed by, and shall be construed in accordance with, the laws of South Africa.

The Guarantee is governed by, and shall be construed in accordance with, the laws of New South Wales, Australia. |
| 10. | Business Centre | [Johannesburg] [<i>specify other</i>] |
| 11. | Additional Business Centre | [Not Applicable] [<i>specify</i>] |
| 12. | Rating assigned to the Programme | [The Programme was assigned a Rating of BBB/A-2 (Global Scale) and zaAA-/zaA-1 (SA National Scale) from Standard & Poor's on 1 December 2011] [<i>specify other</i>]. |
| 13. | Rating (if any) assigned to this Tranche of Notes as at the Issue Date and date on which such Rating is expected to be reviewed | [Not Applicable] [<i>give details</i>] |
| 14. | Rating Agency(ies) (if any) for this Tranche of Notes | [Not Applicable] [<i>give details</i>] |
| 15. | Commercial Paper Regulations | See Annexure "A" to this Applicable Pricing Supplement |
| 16. | Other provisions | [Not Applicable] [<i>give details</i>] |

The Issuer accepts full responsibility for the accuracy of the information contained in the Programme Memorandum, each Supplement to the Programme Memorandum published by the Issuer from time to time and this Applicable Pricing Supplement.

The Issuer certifies that, to the best of its knowledge and belief, there are no facts the omission of which would make the Programme Memorandum or any statement contained in the Programme Memorandum false or misleading, that all reasonable enquiries to ascertain such facts have been made, and that the Programme Memorandum contains all information required by the JSE Debt Listings Requirements and all other Applicable Laws.

Application is hereby made to list Tranche [] of Series [] of the Notes on the Interest Rate Market of the JSE, as from [], pursuant to the Macquarie Securities South Africa (Proprietary) Limited ZAR5,000,000,000 Debt Instrument Programme.

For: MACQUARIE SECURITIES SOUTH AFRICA (PROPRIETARY) LIMITED

By: _____
duly authorised

By: _____
duly authorised

Date: _____

Date: _____

ANNEXURE "A" TO THE APPLICABLE PRICING SUPPLEMENT
COMMERCIAL PAPER REGULATIONS

The information required to be disclosed in terms of paragraph 3(5) of the Commercial Paper Regulations is set out in this Annexure "A" (except where such information is disclosed in the Programme Memorandum and/or the Applicable Pricing Supplement):

1. **Issuer and Ultimate Borrower** (*paragraph 3(5)(a) of the Commercial Paper Regulations*)

The Issuer of the relevant Tranche is Macquarie Securities South Africa (Proprietary) Limited (incorporated with limited liability under registration number 2006/023546/07 in South Africa).

The "ultimate borrower" (as defined in the Commercial Paper Regulations) is [the Issuer] [*specify other*].

2. **Going concern** (*paragraph 3(5)(b) of the Commercial Paper Regulations*)

The Issuer is a going concern and can in all circumstances be reasonably expected to meet its commitments, thereby reflecting the adequacy of the liquidity and solvency of the Issuer.

3. **Auditor** (*paragraph 3(5)(c) of the Commercial Paper Regulations*)

The auditors of the Issuer as at the Issue Date are [PricewaterhouseCoopers Incorporated] [*specify other*]. [PricewaterhouseCoopers Incorporated] [*specify other*] has acted as the auditors of the Issuer's latest audited financial statements.

4. **Total amount of Commercial Paper** (*paragraph 3(5)(d) of the Commercial Paper Regulations*)

a) [The Issuer has not, prior to the Issue Date, issued any "commercial paper" (as defined in the Commercial Paper Regulations).]

[The Issuer has, prior to the Issue Date, issued "commercial paper" (as defined in the Commercial Paper Regulations) in an aggregate amount of ZAR[]]

b) [As at Issue Date, to the best of the Issuer's knowledge and belief, the Issuer estimates that it will not issue any "commercial paper" (as defined in the Commercial Paper Regulations) during the Issuer's current financial year (excluding the relevant Tranche).]

[As at Issue Date, to the best of the Issuer's knowledge and belief, the Issuer estimates that it will issue "commercial paper" (as defined in the Commercial Paper Regulations) in an aggregate amount of ZAR[] during the Issuer's current financial year (excluding the relevant Tranche).]

5. **Other information** (*paragraph 3(5)(e) of the Commercial Paper Regulations*)

All information that may reasonably be necessary to enable the investor to ascertain the nature of the financial and commercial risk of its investment in the relevant Tranche is contained in the Programme Memorandum and the Applicable Pricing Supplement.

6. **Material adverse change** (*paragraph 3(5)(f) of the Commercial Paper Regulations*)

Save as disclosed in the Programme Memorandum [and as set out below], there has been no material adverse change in the Issuer's financial position since the date of the Issuer's last audited financial statements.

[*give details, if applicable*]

7. **Listing** (*paragraph 3(5)(g) of the Commercial Paper Regulations*)

The relevant Tranche will be [unlisted] [listed on [the Interest Rate Market of the JSE] [*specify other*]].

8. **Use of proceeds** (*paragraph 3(5)(h) of the Commercial Paper Regulations*)

[The proceeds of the issue of the relevant Tranche will be used by the Issuer for its general corporate purposes] [*specify other*].

9. **Security** (*paragraph 3(5)(i) of the Commercial Paper Regulations*)

The obligations of the Issuer in respect of the relevant Tranche are unsecured (in that the Noteholders have no real rights of security in respect of such obligations). However, Macquarie Group Limited has, in terms of and subject to the Guarantee, irrevocably and unconditionally guaranteed to the Noteholders the due and punctual payment by the Issuer of all amounts owing by the Issuer in respect of the Notes.

10. **Auditors confirmation** (*paragraph 3(5)(j) of the Commercial Paper Regulations*)

The Issuer's auditors as at the Issue Date have confirmed in writing that nothing has come to their attention which causes them to believe that the issue of the relevant Tranche under the Programme, pursuant to the Programme Memorandum (as read with the Applicable Pricing Supplement) will not comply in all material respects with the provisions of the Commercial Paper Regulations.

11. **Audited financial statements** (*paragraphs 3(5)(j)(i) and (j)(ii) of the Commercial Paper Regulations*)

Where, in relation to the issue of the relevant Tranche, this Programme Memorandum and/or the Applicable Pricing Supplement is distributed and/or made available for inspection in South Africa, a copy of the Issuer's latest audited annual financial statements will at all times separately accompany (either by electronic delivery or by physical delivery) this Programme Memorandum and/or the Applicable Pricing Supplement, as required by the Commercial Paper Regulations.

TERMS AND CONDITIONS OF THE NOTES

A Tranche of Notes will be issued on, and subject to, the Terms and Conditions, as replaced, amended and/or supplemented by the terms and conditions of that Tranche of Notes set out in the Applicable Pricing Supplement relating to that Tranche of Notes.

The following is the text of the Terms and Conditions:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In the Terms and Conditions, unless inconsistent with the context or, in relation to a Tranche of Notes, separately defined in the Applicable Pricing Supplement, the following expressions shall have the following meanings:

Accrual Yield means, in relation to all or any of the Notes in a Tranche of Zero Coupon Notes, the accrual yield specified as such in the Applicable Pricing Supplement;

Actual Redemption Date means, in relation to all or any of the Notes in a Tranche of Notes (as applicable), the date upon which such Note(s) is/are actually redeemed in full by the Issuer and the full amount due and payable by the Issuer to the Noteholder(s) of such Note(s) under the applicable Terms and Conditions has been paid;

Additional Business Centre means, if applicable to a Tranche of Notes, the city specified as such in the Applicable Pricing Supplement;

Agency Agreement means, if the Issuer elects to appoint another entity as Transfer Agent and/or Calculation Agent and/or Paying Agent in respect of the Notes, the written agency agreement(s) entered into between the Issuer and that successor Transfer Agent and/or successor Calculation Agent and/or successor Paying Agent, as amended, novated and/or substituted from time to time in accordance with its/their terms;

Amortised Face Amount has the meaning ascribed thereto in Condition 10.9;

Amortisation Yield means, in relation to all or any of the Notes in a Tranche of Zero Coupon Notes, the amortisation yield specified as such in the Applicable Pricing Supplement;

Applicable Laws means, in relation to a Person, all and any (i) statutes and subordinate legislation, (ii) regulations, ordinances and directives, (iii) by-laws, (iv) codes of practice, circulars, guidance notices, judgments and decisions of any competent authority, and (v) other similar provisions, from time to time, compliance with which is mandatory for that Person;

Applicable Pricing Supplement means, in relation to a Tranche of Notes, the pricing supplement completed and signed by the Issuer in relation to that Tranche of Notes, setting out the additional and/or other terms and conditions which are applicable to that Tranche of Notes, based upon the *pro forma* Applicable Pricing Supplement which is set out in the section of the Programme Memorandum headed "*Pro Forma Applicable Pricing Supplement*";

Applicable Procedures means the rules and operating procedures for the time being of the CSD, Participants, the JSE (including, without limitation, the JSE Rules and the JSE Debt Listings Requirements) and/or any other Relevant Stock Exchange;

Applicable Redemption Amount means, in relation to all or any of the Notes in a Tranche of Notes (as applicable), the amount of principal which is due and payable by the Issuer to the Noteholders of such Notes upon the redemption of such Notes (in whole or in part), in terms of the applicable Terms and Conditions, being the Final Redemption Amount or the Optional Redemption Amount (Put) or the Optional Redemption Amount (Call) or the Early Redemption Amount or the Early Termination Amount, as applicable;

Applicable Redemption Date means, in relation to all or any of the Notes in a Tranche of Notes (as applicable), the Final Redemption Date or the relevant Optional Redemption Date (Noteholder) or the relevant Optional Redemption Date (Issuer), as applicable;

Arrangers means each of SBSA and RMB;

Australian Corporations Act means the Corporations Act 2001 of Australia;

Banks Act means the Banks Act, 1990, of South Africa;

Bearer means the Person who is the bearer of a Bearer Certificate, as contemplated in the Bills of Exchange Act;

Bearer Certificate means a certificate which is a negotiable instrument and which represents (and embodies) a Bearer Note, as contemplated in the Bills of Exchange Act and, unless the context otherwise requires, the term **Bearer Certificate** shall include the Coupons (if any) attached on issue to that certificate;

Bearer Note means a Note payable to the bearer thereof, as contemplated in the Bills of Exchange Act and, unless the context otherwise requires, the term **Bearer Note** shall include the rights to payment of interest and/or

principal represented by and embodied in the Coupon(s) (if any) attached on issue to the Bearer Certificate representing and embodying such Bearer Note;

Beneficial Interest means, in relation to a Tranche of Notes which is held in the CSD, the beneficial interest as co-owner of an undivided share of all of the Notes in that Tranche, as contemplated in section 41(1) of the Securities Services Act, the nominal value of which beneficial interest, in relation to any number of Notes in that Tranche, is determined by reference to the proportion that the aggregate Outstanding Nominal Amount of such number of Notes bears to the aggregate Outstanding Nominal Amount of all of the Notes in that Tranche, as provided in section 41(3) of the Securities Services Act;

BESA Guarantee Fund Trust means the Guarantee Fund Trust established and operated by The Bond Exchange of South Africa Limited, prior to its merger with the JSE on 22 June 2009 and, as at the Programme Date, operated by the JSE as a separate guarantee fund, in terms of the of the JSE Rules, as required by sections 9(1)(e) and 18(2)(x) of the Securities Services Act or any successor fund;

Bills of Exchange Act means the Bills of Exchange Act, 1964, of South Africa;

Blocked Rand means, for purposes of the Exchange Control Regulations, funds which may not be remitted out of South Africa or paid into a bank account outside South Africa;

Books Closed Period means, in relation to a Tranche of Notes, the period or periods stipulated by the Issuer in the Applicable Pricing Supplement as being the period or periods during which the Register is closed for purposes of giving effect to transfers, redemptions or payments in respect of that Tranche of Notes;

Business Day means, in relation to a Tranche of Notes, a day (other than a Saturday or Sunday or public holiday within the meaning of the Public Holidays Act, 1994) which is a day on which commercial banks settle ZAR payments in Johannesburg or any Additional Business Centre specified in the Applicable Pricing Supplement, save that if the Applicable Pricing Supplement so provides, **Business Day** shall include a Saturday;

Business Day Convention means, in relation to a Tranche of Notes, the convention (if any) for adjusting any date if it would otherwise fall on a day that is not a Business Day, and the following terms, when specified in the Applicable Pricing Supplement and used in conjunction with the term Business Day Convention and a date, shall mean that an adjustment will be made if that date would otherwise fall on a day that is not a Business Day so that:

- a) if "*Following*" is specified in the Applicable Pricing Supplement the relevant payment date will be the first following day that is a Business Day; or
- b) if "*Modified Following*" or "*Modified*" is specified in the Applicable Pricing Supplement, the relevant payment date will be the first following day that is a Business Day unless that day falls in the next calendar month, in which case that date will be the first preceding day that is a Business Day; or
- c) if "*Preceding*" is specified in the Applicable Pricing Supplement, the relevant payment date will be the first preceding day that is a Business Day; or
- d) such other method of adjusting the relevant payment date as is specified in the Applicable Pricing Supplement;

Calculation Agent means the Issuer, unless the Issuer elects to appoint another entity as Calculation Agent in respect of the Notes, in which event that other entity will act as Calculation Agent in respect of the Notes;

Call Option means, in relation to a Tranche of Notes (where Call Option is specified in the Applicable Pricing Supplement as being applicable), the option of the Issuer to redeem that Tranche of Notes (in whole or in part) on the Optional Redemption Date (Issuer) in terms of Condition 10.3;

Change in Law means, in relation to a Series of Notes, an event where, as a result of (a) the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (b) the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Issuer determines in good faith that it will incur a materially increased cost in performing its obligations under the applicable Terms and Condition of any Tranche of Notes in that Series (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position) which adoption, change or promulgation is announced on or after the Issue Date of the first Tranche of Notes in that Series;

Commercial Paper Regulations means the commercial paper regulations of 14 December 1994 issued pursuant to paragraph (cc) of the definition of "*the business of a bank*" in the Banks Act, set out in Government Notice 2172 and published in *Government Gazette* 16167 of 14 December 1994;

Common Monetary Area means the Republics of South Africa and Namibia and the Kingdoms of Swaziland and Lesotho;

Companies Act means the Companies Act, 2008, of South Africa;

Coupon means an interest coupon representing and embodying the right to an interest payment in respect of an interest bearing Bearer Note or Order Note, as the case may be, and which is attached on issue to the relevant Bearer Certificate or Order Certificate, as the case may be;

CSD means Strate Limited (Registration Number 1998/022242/06), licensed as a central securities depository in terms of the Securities Services Act or any successor depository operating in terms of the Securities Services Act, or any additional or alternate depository approved by the Issuer;

CSD's Nominee means a wholly owned subsidiary of the CSD approved by the Registrar of Securities Services in terms of the Securities Services Act, and any reference to **CSD's Nominee** shall, whenever the context permits, be deemed to include any successor nominee operating in terms of the Securities Services Act;

Day Count Fraction means, if applicable to a Tranche of Notes:

- a) if "1/1" is specified in the Applicable Pricing Supplement, 1; or
- b) if "Actual/365", "Act/365", "Actual/Actual" or "Act/Act" is specified in the Applicable Pricing Supplement, the actual number of days in the Interest Period in respect of which payment is being made divided by 365 (or, if any portion of the Interest Period falls in a leap year, the sum of (i) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (ii) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365); or
- c) if "Actual/365 (Fixed)", "Act/365 (Fixed)", "A/365 (Fixed)" or "A/365F" is specified in the Applicable Pricing Supplement, the actual number of days in the Interest Period in respect of which payment is being made divided by 365; or
- d) if "Actual/360", "Act/360" or "A/360" is specified in the Applicable Pricing Supplement, the actual number of days in the Interest Period in respect of which payment is being made divided by 360; or
- e) if "30/360", "360/360" or "Bond Basis" is specified in the Applicable Pricing Supplement, the number of days in the Interest Period in respect of which payment is being made divided by 360 (the number of days to be calculated on the basis of a year of 360 days with twelve 30-day months (unless (i) the last day of the Interest Period is the 31st day of a month but the first day of the Interest Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month or (ii) that last day of the Interest Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month); or
- f) if "30E/360" or "Eurobond Basis" is specified in the Applicable Pricing Supplement, the number of days in the Interest Period in respect of which payment is being made divided by 360 (the number of days to be calculated on the basis of a year of 360 days with twelve 30-day months, without regard to the date of the first day or last day of the Interest Period unless, in the case of the final Interest Period, the Interest Payment Date is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month); or
- g) such other calculation method as is specified in the Applicable Pricing Supplement;

Dealer means SBSA, RMB and each additional Dealer appointed by the Issuer from time to time pursuant to the Programme Agreement, which appointment may be for a specific issue of one or more Tranches of Notes or for the Programme, subject to the Issuer's right to terminate the appointment of any Dealer;

Debt Sponsors means, subject to the section of this Programme Memorandum headed "*Subscription and Sale*" – "*Dealer and placing arrangements*", RMB and SBSA;

Default Rate means, if applicable to a Tranche of Notes, the default rate specified as such in the Applicable Pricing Supplement;

Early Redemption Amount means, in relation to a Tranche of Notes which is to be redeemed (in whole) in terms of Condition 10.4, the (i) aggregate Outstanding Nominal Amount of that Tranche of Notes or (ii) the Amortised Face Amount of that Tranche of Notes or (iii) such other amount as is specified in, or determined in the manner specified in, the Applicable Pricing Supplement, as applicable;

Early Redemption Date means, in relation to a Tranche of Notes in a Series which is to be redeemed (in whole) in terms of Condition 10.4, the Interest Payment Date (in the case of interest-bearing Notes) or other date (in the case of non interest-bearing Notes) stipulated as the date for redemption of that Tranche of Notes in the notice of redemption given by the Issuer in terms of Condition 10.4, as applicable;

Early Termination Amount means, following an Event of Default in respect of a Series of Notes, in relation to each Note in each Tranche of Notes in that Series, subject to Condition 16.2, (i) the Outstanding Nominal Amount of that Note or (ii) the Amortised Face Amount of that Note or (iii) such other amount as is specified in, or determined in the manner specified in, the Applicable Pricing Supplement, as applicable;

Endorsement means an "*indorsement*" as contemplated in the Bills of Exchange Act;

Endorsement in Blank means an Endorsement which specifies no named Payee;

Equity Linked Notes means a Tranche of Notes, payments in respect of which will be calculated by reference to the underlying equity specified in the Applicable Pricing Supplement or the basket of underlying equities specified in the Applicable Pricing Supplement, as the case may be, as indicated in the Applicable Pricing Supplement;

Event of Default means, in relation to a Series of Notes and each Tranche of Notes in that Series, any of the events described in Condition 16.1;

Exchangeable Notes means a Tranche of Notes which may be redeemed by the Issuer in the manner indicated in the Applicable Pricing Supplement by the delivery to the relevant Noteholders of cash or of so many of the Exchange Securities as are determined in accordance with the Applicable Pricing Supplement;

Exchange Control Authorities means the Financial Surveillance Department of the South African Reserve Bank;

Exchange Control Regulations means the South African Exchange Control Regulations, 1961 promulgated pursuant to the Currency and Exchanges Act, 1933, of South Africa;

Exchange Period means, in relation to a Tranche of Exchangeable Notes to which the Noteholders' Exchange Right applies, the period specified as such in the Applicable Pricing Supplement during which such right may be exercised;

Exchange Price means, in relation to a Tranche of Exchangeable Notes to which the Noteholders' Exchange Right applies, the value specified in the Applicable Pricing Supplement according to which the number of Exchange Securities which may be delivered in redemption of such Exchangeable Notes will be determined;

Exchange Securities means, in relation to a Tranche of Exchangeable Notes to which the Noteholders' Exchange Right applies, the securities specified as such in the Applicable Pricing Supplement which may be delivered by the Issuer upon the redemption of such Exchangeable Notes to the value of the Exchange Price;

Extraordinary Resolution means a resolution passed at a meeting (duly convened) of all of the Noteholders or the relevant Group of Noteholders or the relevant Groups of Noteholders (as applicable) upon a poll, by a majority consisting of not less than 75% of the votes cast on such poll;

Final Broken Amount means, if applicable to a Tranche of Notes, the amount specified as such in the Applicable Pricing Supplement;

Final Redemption Amount means, in relation to a Tranche of Notes, (i) the aggregate Outstanding Nominal Amount of that Tranche of Notes or (ii) such other amount as is specified in, or determined in the manner specified in, the Applicable Pricing Supplement, as applicable;

Final Redemption Date means, in relation to all or any of the Notes in a Tranche of Notes (as applicable), the due date for final redemption of such Notes in full in terms of the applicable Terms and Conditions, being the Maturity Date or the last (or only) Optional Redemption Date (Noteholder) or the last (or only) Optional Redemption Date (Issuer) or the Early Redemption Date or the Early Termination Date, as applicable;

Financial Indebtedness means, in respect of any Person, any indebtedness, present or future, actual or contingent of that Person in respect of moneys borrowed or raised or any financial accommodation whatsoever (including, without limiting the generality of the foregoing):

- a) under or in respect of any guarantee or indemnity given in respect of moneys borrowed or raised, bill, acceptance or endorsement or any discounting arrangement;
- b) in respect of any obligation to pay par value, premium and dividend (whether or not declared, and whether or not there are sufficient profits or other moneys for payment) of any redeemable share or stock issued by that Person or to purchase any share or stock issued by that Person which is the subject of a put option against that Person;
- c) the deferred purchase price (for more than 90 days) of any asset or service and any related obligation;
- d) in respect of any obligation to deliver goods or services which are paid for in advance by a financier or which are paid for in advance in relation to any financing transaction;

Fixed Interest Rate means, if applicable to a Tranche of Notes, the fixed rate of interest specified as such in the Applicable Pricing Supplement;

Fixed Rate Notes means a Tranche of Notes which will bear interest at the Fixed Interest Rate, as indicated in the Applicable Pricing Supplement;

Floating Interest Rate means, if applicable to a Tranche of Notes, the floating rate of interest specified as such in the Applicable Pricing Supplement;

Floating Rate Notes means a Tranche of Notes which will bear interest at the Floating Interest Rate, as indicated in the Applicable Pricing Supplement;

Group of Noteholders means (as applicable) the holders of the Notes in a Tranche of Notes or the holders of the Notes in more than one Tranche of Notes in a Series of Notes or the holders of Notes in a Series of Notes;

Guarantee means the guarantee deed poll, dated 8 October 2010, executed by the Guarantor in favour of the Noteholders, as amended, novated and/or substituted from time to time in accordance with its terms;

Guarantor means Macquarie Group Limited (ABN 94 122 169 279) incorporated with limited liability in the Commonwealth of Australia;

Income Tax Act means the Income Tax Act, 1962, of South Africa;

Indexed Linked Interest Notes means a Tranche of Notes in respect of which the Interest Amount is calculated by reference to an index and/or a formula, as indicated in the Applicable Pricing Supplement;

Index Linked Notes means a Tranche of Indexed Linked Interest Notes or a Tranche of Indexed Linked Redemption Notes, as applicable;

Indexed Linked Redemption Notes means a Tranche of Notes in respect of which the Applicable Redemption Amount is calculated by reference to an index and/or a formula, as indicated in the Applicable Pricing Supplement;

Individual Certificate means the single certificate in definitive registered form without interest coupons representing Notes for which a Beneficial Interest has been exchanged in accordance with Condition 12.1;

Initial Broken Amount means, if applicable to a Tranche of Notes, the amount specified as such in the Applicable Pricing Supplement;

Interest Amount means, if applicable to a Tranche of Notes, in relation to an Interest Period, the amount of interest payable in respect of that Tranche of Notes for that Interest Period, as determined by the Calculation Agent in accordance with Condition 8 (or as may otherwise be provided in the Applicable Pricing Supplement);

Interest Commencement Date means, if applicable to a Tranche of Notes, the Issue Date or such other date as is specified as the Interest Commencement Date in the Applicable Pricing Supplement;

Interest Determination Date means, if applicable to a Tranche of Notes, the day falling on the first day of each Interest Period or, if such day is not a Business Day, the first following day that is a Business Day, unless it would thereby fall into the next calendar month, in which event the Interest Determination Date shall be brought forward to the first preceding Business Day, as specified in the Applicable Pricing Supplement;

Interest Payment Date means, if applicable to a Tranche of Notes, the date specified as such in the Applicable Pricing Supplement or, if no such date is specified in the Applicable Pricing Supplement, the last day of each Interest Period and, if a Business Day Convention is specified in the Applicable Pricing Supplement, as the same may be adjusted in accordance with the relevant Business Day Convention;

Interest Period means, if applicable to a Tranche of Notes, each period from and including one Interest Payment Date up to but excluding the next Interest Payment Date; provided that the first Interest Period will commence on (and include) the Interest Commencement Date and the last Interest Period will end on (but exclude) the Final Redemption Date;

Interest Rate means, if applicable to a Tranche of Notes, the Fixed Interest Rate or the Floating Interest Rate, as the case may be, applicable to that Tranche of Notes for an Interest Period or such other rate or rates (expressed as a percentage per annum) of interest applicable to that Tranche of Notes for an Interest Period as is/are specified in, or determined in the manner specified in, the Applicable Pricing Supplement;

Interest Rate Market of the JSE means the separate platform or sub-market of the JSE designated as the "Interest Rate Market" and on which Debt Securities (as defined in the JSE Debt Listings Requirements) may be listed, or such other separate platform or sub-market of the JSE as is selected by the Issuer, subject to all Applicable Laws;

ISDA Definitions means, if applicable to a Tranche of Notes, the 2006 ISDA Definitions as published by the International Swaps and Derivatives Association Inc. (as amended, supplemented, revised or republished as at the Issue Date);

Issue Date means, in relation to a Tranche of Notes, the date specified as such in the Applicable Pricing Supplement;

Issue Price means, in relation to a Tranche of Notes, the price specified as such in the Applicable Pricing Supplement;

Issuer means Macquarie Securities South Africa (Proprietary) Limited (Registration Number 2006/023546/07), a private company with limited liability duly incorporated in accordance with the company laws of South Africa;

JSE means the JSE Limited (Registration Number 2005/022939/06), licensed as an exchange in terms of the Securities Services Act, or any exchange which operates as a successor exchange to the JSE in terms of the Securities Services Act;

JSE Debt Listings Requirements means the document published by the JSE entitled "*Debt Listings Requirements*", dated March 2011, which came into effect on 1 June 2011, as amended and/or supplemented from time to time;

JSE Rules means the Rules of the JSE from time to time, approved by the Registrar of Securities Services in terms of the Securities Services Act;

Last Day to Register means, in relation to a Tranche of Notes, the sixth day (or such other day as is specified in the Applicable Pricing Supplement) preceding each Interest Payment Date (if any) and the Final Redemption Date until 17h00 (South African time) on that day, such day being the last day on which the Transfer Agent will accept Transfer Forms and record in the Register the transfer of Notes in that Tranche represented by Individual Certificate(s);

Macquarie Group and Group means the Guarantor and its Subsidiaries;

Mandatory Exchange means, if applicable to a Tranche of Exchangeable Notes, the obligation of the Issuer to redeem Exchangeable Notes on the Applicable Redemption Date by delivery of Exchange Securities to the Noteholders of such Exchangeable Notes;

Margin means, if applicable to a Tranche of Notes, the margin specified as such in the Applicable Pricing Supplement;

Maturity Date means, in relation to a Tranche of Notes, the date specified as such in the Applicable Pricing Supplement;

Maximum Rate of Interest means, if applicable to a Tranche of Notes, the maximum rate of interest specified as such in the Applicable Pricing Supplement;

Minimum Rate of Interest means, if applicable to a Tranche of Notes, the minimum rate of interest specified as such in the Applicable Pricing Supplement;

Nominal Amount means, in relation to a Note, the nominal amount of that Note (being the amount equivalent to the Specified Denomination);

Noteholder means (i) the holders of Registered Notes (as recorded in the Register), (ii) the Bearers of Bearer Notes and (iii) the Payees of Order Notes;

Noteholders' Exchange Right means, if applicable to a Tranche of Exchangeable Notes, the right of the Noteholders of such Exchangeable Notes to elect to receive delivery of the Exchange Securities in lieu of cash from the Issuer upon redemption of such Exchangeable Notes;

Notes means the unsecured notes or other similar instruments of any kind issued by the Issuer under the Programme, pursuant to this Programme Memorandum;

Optional Redemption Amount (Call) means, in relation to a Tranche of Notes to which the Call Option is applicable and which is to be redeemed (in whole or in part) in terms of Condition 10.3, (i) the aggregate Outstanding Nominal Amount (or the relevant portion thereof) of that Tranche of Notes or (ii) the Amortised Face Amount (or the relevant portion thereof) of that Tranche of Notes or (iii) such other amount as is specified in, or determined in the manner specified in, the Applicable Pricing Supplement, as applicable;

Optional Redemption Amount (Put) means, in relation to each Note in a Tranche of Notes to which the Put Option is applicable and which Note is to be redeemed (in whole or in part) in terms of Condition 10.2, (i) the Outstanding Nominal Amount (or the relevant portion thereof) of that Note or (ii) the Amortised Face Amount (or the relevant portion thereof) of that Note or (iii) such other amount as is specified in, or determined in the manner specified in, the Applicable Pricing Supplement, as applicable;

Optional Redemption Date (Issuer) means, in relation to a Tranche of Notes to which the Call Option is applicable and which is to be redeemed (in whole or in part) in terms of Condition 10.3, the date(s) specified as such in the Applicable Pricing Supplement or, if no such date(s) is/are specified in the Applicable Pricing Supplement, the Interest Payment Date(s) (in the case of interest-bearing Notes) or other date(s) (in the case of non interest-bearing Notes) stipulated as the date for redemption of that Tranche of Notes or the relevant portion of that Tranche of Notes, as the case may be, in the notice of redemption given by the Issuer in terms of Condition 10.3, as applicable;

Optional Redemption Date (Noteholder) means, in relation to each Note in a Tranche of Notes to which the Put Option is applicable and which Note is to be redeemed (in whole or in part) in terms of Condition 10.2, the date(s) specified as such in the Applicable Pricing Supplement or, if no such date(s) is/are specified in the Applicable Pricing Supplement, the Interest Payment Date(s) (in the case of interest-bearing Notes) or other date(s) (in the case of non interest-bearing Notes) stipulated as the date(s) for redemption of such Note or the relevant portion of such Note, as the case may be, in the Put Option Notice, as applicable;

Order Certificate means a certificate which is a negotiable instrument and which represents (and embodies) an Order Note, as contemplated in the Bills of Exchange Act and, unless the context otherwise requires, the term Order Certificate shall include the Coupons (if any) attached on issue to that certificate;

Order Note means a Note payable to order, as contemplated in the Bills of Exchange Act and, unless the context otherwise requires, the term **Order Note** shall include the rights to payment of interest and/or principal represented by and embodied in the Coupon(s) (if any) attached on issue to the Order Certificate representing and embodying such Order Note;

Ordinary Resolution means a resolution passed at a meeting (duly convened) of all of the Noteholders or the relevant Group of Noteholders or the relevant Groups of Noteholders (as applicable) upon a poll, by not less than 51% of the votes cast on such poll;

Other Banking Jurisdiction means, if applicable to a Tranche of Notes, the banking jurisdiction specified as such in the Applicable Pricing Supplement;

Outstanding Nominal Amount means, in relation to a Note, the Nominal Amount of that Note less (on each occasion on which that Note is partially redeemed in terms of Condition 10) that portion of the Nominal Amount of that Note which has been so partially redeemed and, in relation to the Programme at any point in time, the aggregate outstanding Nominal Amount of all of the Notes in issue under the Programme (including all Notes in issue under the Programme pursuant to the Previous Programme Memorandum) at that time;

Participant means a Person accepted by the CSD as a participant in terms of the Securities Services Act;

Payee means the Person reflected as the payee on an Order Certificate or the Person to whom such Order Certificate has been negotiated (by way of delivery and Endorsement), as the case may be, as contemplated in the Bills of Exchange Act;

Paying Agent means the Issuer, unless the Issuer elects to appoint another entity as Paying Agent in respect of the Notes, in which event that other entity will act as Paying Agent in respect of the Notes;

Person means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of state or other entity, whether or not having separate legal personality;

Programme means the Macquarie Securities South Africa (Proprietary) Limited ZAR5,000,000,000 Debt Instrument Programme under which the Issuer may issue Notes from time to time;

Programme Agreement means the written programme agreement, dated 8 October 2010, entered into between the Issuer, the Guarantor, SBSA and RMB, as amended, novated and/or substituted from time to time in accordance with its terms;

Programme Amount means the maximum aggregate Outstanding Nominal Amount of all of the Notes that may be issued under the Programme (including all Notes in issue under the Programme pursuant to the Previous Programme Memorandum) at any one point in time being, as at the Programme Date, ZAR5,000,000,000 or such increased amount as is determined by the Issuer from time to time, subject to the Applicable Procedures, Applicable Laws and the Programme Agreement, as set out in the section of this Programme Memorandum headed "General Description of the Programme";

Programme Date means the date of this Programme Memorandum, being 17 May 2012;

Programme Memorandum means this document so entitled in respect of the Programme dated 17 May 2012; provided that if the Issuer publishes a new Programme Memorandum or a supplement to the Programme Memorandum, as the case may be (as contemplated in the section of this document headed "Documents Incorporated by Reference"), references to "Programme Memorandum" shall be construed as references to that new Programme Memorandum or the Programme Memorandum as supplemented, as the case may be;

Put Option means, in relation to a Tranche of Notes (where Put Option is specified in the Applicable Pricing Supplement as being applicable), the option of a Noteholder of Notes in that Tranche to require the Issuer to redeem all or any of such Notes (in whole or in part) on the Optional Redemption Date (Noteholder) in terms of Condition 10.2;

Put Option Notice means, in relation to a Tranche of Notes to which the Put Option is applicable, a written notice (in the form obtainable from the Issuer and/or the Transfer Agent and/or attached to the Applicable Pricing Supplement) which must be completed and signed by a Noteholder of any Notes in that Tranche and which must be sent to the Issuer (among others) in accordance with Condition 10.2 in order for that Noteholder to exercise the Put Option in respect of all or any of such Notes (in whole or in part);

R, Rand or ZAR means the lawful currency of South Africa;

Rating means, in relation to the Programme, the rating of the Programme granted by the Rating Agency/ies and, if applicable to a Tranche of Notes, the rating of that Tranche of Notes granted by the Rating Agency/ies, specified in the Applicable Pricing Supplement;

Rating Agency/ies means Standard & Poor's and/or Fitch Southern Africa (Proprietary) Limited and/or Moody's Investor Services Limited and/or any other rating agency(ies) as is/are appointed by the Issuer for the purpose of the Programme and/or a Tranche of Notes;

Reference Banks means four leading banks in the South African inter-bank market selected (unless otherwise specified in the Terms and Conditions) by the Calculation Agent;

Reference Price means, if applicable to a Tranche of Notes, the price specified as such in the Applicable Pricing Supplement;

Reference Rate means, if applicable to a Tranche of Notes, the rate specified as such in the Applicable Pricing Supplement;

Register means the register of Noteholders maintained by the Transfer Agent in terms of Condition 13;

Registered Note means a Note issued in registered uncertificated form, registered in the Register in the name of the Noteholder thereof, and transferable in accordance with Condition 14.1.2;

Registrar of Securities Services means the Registrar of Securities Services designated under the Securities Services Act;

Relevant Date means, in relation to a Tranche of Notes, the earlier of (a) the date on which the full amount due in respect of such Tranche of Notes has been paid to the relevant Noteholders and (b) the date on which the full amount of the moneys payable in respect of such Tranche of Notes has been received by the CSD's Nominee;

Relevant Indebtedness means, for purposes of Condition 7.1, any present or future indebtedness of the Issuer in the form of, or represented by, bonds, notes, debentures, loan stock, certificates of deposit, bills of exchange, transferable loan certificates or other securities which are capable of being listed, quoted, ordinarily dealt in or

traded on any recognised market, not being indebtedness incurred in the ordinary course of the business of the Issuer;

Relevant Screen Page means, if applicable to a Tranche of Notes, the page, section or other part of a particular information service (including, without limitation, Reuters) specified as the Relevant Screen Page in the Applicable Pricing Supplement, or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the Person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate;

Relevant Stock Exchange means, if applicable to a Tranche of Notes, the Interest Rate Market of the JSE and/or such other (or additional) stock exchange(s) as may be determined by the Issuer and the relevant Dealer(s), subject to Applicable Laws, as specified in the Applicable Pricing Supplement;

Relevant Time means, if applicable to a Tranche of Notes, the time specified as such in the Applicable Pricing Supplement;

Representative means a Person duly authorised to act on behalf of a Noteholder, which Person may be regarded by each of the Issuer, the Transfer Agent and the Paying Agent (acting in good faith) as being duly authorised to act based upon the tacit or express representation made by such Person, in the absence of express notice to the contrary from that Noteholder;

RMB means FirstRand Bank Limited, acting through its Rand Merchant Bank division (Registration Number 1929/001225/06), a public company with limited liability duly incorporated in accordance with the company laws of South Africa;

SBSA means The Standard Bank of South Africa Limited, acting through its Corporate and Investment Banking division (Registration Number 1962/000738/06), a public company with limited liability duly incorporated in accordance with the company laws of South Africa;

Securities Services Act means the Securities Services Act, 2004, of South Africa;

Security Interest means, for purposes of Condition 7.1, any mortgage, lien, pledge, hypothecation, charge, cession *in securitatem debiti* creating, in each instance, real rights of security or any other agreement or arrangement creating real rights of security;

Series means a Tranche of Notes which, together with any other Tranche(s) of Notes, is expressed in the Applicable Pricing Supplement to form a single series of Notes, identified in the relevant Applicable Pricing Supplements by way of a unique numeral (such as Series 1);

South Africa means the Republic of South Africa;

Specified Currency means, in relation to each Note in a Tranche of Notes, subject to all Applicable Laws, the currency specified as such in the Applicable Pricing Supplement;

Specified Denomination means, in relation to each Note in a Tranche of Notes, the amount specified as such in the Applicable Pricing Supplement; provided that such amount shall not be less than ZAR1,000,000;

Specified Office means, in relation to each of the Issuer, the Guarantor, the Calculation Agent, the Paying Agent, the Debt Sponsor and the Transfer Agent, the address specified in respect of such entity at the end of this Programme Memorandum and/or in the Applicable Pricing Supplement, or such other address as is notified by any such entity (or, where applicable, a successor to any such entity) to the Noteholders in accordance with Condition 18;

Subsidiary, in relation to the Guarantor, has the same meaning as that provided in Section 9 of the Australian Corporations Act. The following is a summary of the definition of the term "subsidiary" in Section 9 of the Australian Corporations Act as at the Programme Date:

- "1) A body corporate (the first body) is a subsidiary of another body corporate if, and only if:
- a) the other body:
 - (i) controls the composition of the first body's board; or
 - (ii) is in a position to cast, or control the casting of, more than one-half of the maximum number of votes that might be cast at a general meeting of the first body; or
 - (iii) holds more than one-half of the issued share capital of the first body (excluding any part of that issued share capital that carries no right to participate beyond a specified amount in a distribution of either profits or capital); or
 - b) the first body is a subsidiary of a subsidiary of the other body.
- 2) Without limiting the circumstances in which the composition of a body corporate's board is taken to be controlled by another body corporate, the composition of the board is taken to be so controlled if:
- a) the other body by exercising a power exercisable (whether with or without the consent or concurrence of any other person) by it, can appoint or remove all, or the majority, of the directors of the first-mentioned body; and

- b) *the other body is taken to have power to make such an appointment if:*
 - (i) *a person cannot be appointed as a director of the first-mentioned body without the exercise by the other body of such a power in the person's favour; or*
 - (ii) *a person's appointment as a director of the first-mentioned body follows necessarily from the person being a director or other officer of the other body.*
- 3) *In determining whether a body corporate is a subsidiary of another body corporate, the following matters are to be disregarded.*
 - a) *Any shares held, or power exercisable, by the other body in a fiduciary capacity are treated as not held or exercisable by it.*
 - b) *Subject to paragraphs (c) and (d) below, any shares held, or power exercisable:*
 - (i) *by a person as a nominee for the other body (except where the other body is concerned only in a fiduciary capacity); or*
 - (ii) *by, or by a nominee for, a subsidiary of the other body (not being a subsidiary that is concerned only in a fiduciary capacity);**are treated as held or exercisable by the other body.*
 - c) *Any shares held, or power exercisable, by a person by virtue of the provisions of debentures of the first body, or of a trust deed for securing an issue of such debentures, are to be disregarded.*
 - d) *Any shares held, or power exercisable, otherwise than as mentioned in paragraph (c), by, or by a nominee for, the other body or a subsidiary of it are to be treated as not held or exercisable by the other body if:*
 - (i) *the ordinary business of the other body or that subsidiary, as the case may be, includes lending money; and*
 - (ii) *the shares are held, or the power is exercisable, only by way of security given for the purposes of a transaction entered into in the ordinary course of business in connection with lending money, not being a transaction entered into with an associate of the other body, or of that subsidiary, as the case may be.”;*

Taxes means all present and future taxes, duties, imposts, levies, charges, fees withholdings or deductions of whatever nature imposed, levied, collected, withheld or assessed by, or on behalf of, any governmental, fiscal or other competent authority in South Africa (including any penalty payable in connection with any failure to pay, or delay in paying, any of the same) and “Tax” and “Taxation” will be construed accordingly;

Tax Event means, in relation to a Series of Notes, an event where, as a result of a Tax Law Change, the Issuer has paid (or will or would on the next Interest Payment Date be required to pay) additional amounts in respect of any Tranche of Notes in that Series as provided or referred to in Condition 11 and the Issuer cannot avoid the foregoing by taking measures reasonably available to it;

Tax Law Change means, in relation to a Series of Notes, (a) a change in or proposed change in, or amendment or proposed amendment to, the laws or regulations of South Africa, or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), whether or not having retrospective effect, which change, proposed change, amendment or proposed amendment is announced on or after the Issue Date of the first Tranche of Notes in that Series or (b) the coming into force, on or after the Issue Date of the first Tranche of Notes in that Series, of any amendment to the laws or regulations of South Africa made prior to such Issue Date;

Terms and Conditions means the Terms and Conditions of the Notes set out in this section of the Programme Memorandum headed “*Terms and Conditions of the Notes*” and **applicable Terms and Conditions** means, in relation to a Tranche of Notes, the Terms and Conditions, as replaced, amended and/or supplemented by the terms and conditions of that Tranche of Notes set out in the Applicable Pricing Supplement relating to that Tranche of Notes;

Tranche means those Notes which are identical in all respects (including as to listing) and in respect of which the same Applicable Pricing Supplement applies;

Transfer Agent means the Issuer, unless the Issuer elects to appoint another entity as a Transfer Agent in respect of the Notes, in which event that other entity shall act as an Transfer Agent in respect of the Notes;

Transfer Form means the written form for the transfer of a Note represented by an Individual Certificate, in the usual form or in such form as is approved by the Transfer Agent;

Underlying Equity/ies means, in relation to a Tranche of Equity Linked Notes, the equity or basket of equities, as the case may be, specified as such in the Applicable Pricing Supplement;

VAT Act means the Value-Added Tax Act, 1991, of South Africa;

Zero Coupon Notes means a Tranche of Notes which will be offered and sold at a discount to their Nominal Amount or at par and will not bear interest other than in the case of late payment, as indicated in the Applicable Pricing Supplement.

1.2 Interpretation

1.2.1 In the Terms and Conditions:

1.2.1.1 any reference to principal shall be deemed to include the redemption amount, any premium payable in respect of a Note and any other amount in the nature of principal payable pursuant to the Terms and Conditions;

1.2.1.2 if an expression is stated in Condition 1.1 to have the meaning given in the Applicable Pricing Supplement, but the Applicable Pricing Supplement gives no such meaning or specifies that such expression is "not applicable" then such expression is not applicable to the relevant Tranche of Notes;

1.2.1.3 any reference to any statute, regulation or other legislation (including, without limiting the generality of the foregoing, the Securities Services Act, the Applicable Laws, the Applicable Procedures, the JSE Rules, the JSE Debt Listings Requirements, the Exchange Control Regulations and the Australian Corporations Act) will be a reference to that statute, regulation or other legislation as at the Programme Date and as amended, re-enacted or replaced and substituted from time to time;

1.2.1.4 any reference to "Currency" or "currency" means the lawful currency from time to time of a country.

1.2.2 Unless inconsistent with the context or save where the contrary is expressly specified in the Terms and Conditions:

1.2.2.1 references to any Condition are to that Condition of the Terms and Conditions;

1.2.2.2 words denoting the singular only will include the plural also and *vice versa*, words denoting one gender only will include the other genders and words denoting persons only will include firms and corporations and *vice versa*;

1.2.2.3 the use of the word "*including*" followed by a specific example/s will not be construed as limiting the meaning of the general wording preceding it and the *eiusdem generis* rule will not be applied in the interpretation of such general wording or such specific example/s. Such references to "*including*" and "*in particular*" will not be construed restrictively but will mean "*including, without prejudice to the generality of the foregoing*" and "*in particular, but without prejudice to the generality of the foregoing*" respectively;

1.2.2.4 any reference to days (other than a reference to Business Days), months or years will be a reference to calendar days, months or years, as the case may be;

1.2.2.5 where any number of days is to be calculated from a particular day, such number shall be calculated as inclusive of the first day and exclusive of the last day. If the last day of such number so calculated falls on a day which is not a Business Day, the last day shall be deemed to be the immediately preceding day which is a Business Day.

1.2.3 If any provision in a definition in the Terms and Conditions is a substantive provision conferring a right or imposing an obligation on any party then, notwithstanding that it is only in a definition, effect shall be given to that provision as if it were a substantive provision in the body of the Terms and Conditions.

1.2.4 Headings and sub-headings in the Terms and Conditions are inserted for convenience only.

1.2.5 Where any term is defined within a particular Condition, that term shall bear the meaning ascribed to it in that Condition wherever it is used in the Terms and Conditions.

1.2.6 The *contra proferentem* rule shall not be applied in the interpretation of the Terms and Conditions.

2. ISSUE

2.1 The Issuer may, at any time and from time to time (without the consent of any Noteholder), subject to the prior written approval of the Exchange Control Authorities in terms of the Exchange Control Regulations (where applicable), issue one or more Tranche(s) of Notes pursuant to the Programme; provided that the aggregate Outstanding Nominal Amount of all of the Notes issued under the Programme (including all Notes in issue under the Programme pursuant to the Previous Programme Memorandum) from time to time does not exceed the Programme Amount.

2.2 Notes will be issued in individual Tranches which, together with other Tranches, may form a Series of Notes. A Tranche of Notes will be issued on, and subject to, the Terms and Conditions, as replaced, amended and/or supplemented by the terms and conditions of that Tranche of Notes set out in the Applicable Pricing Supplement relating to that Tranche of Notes.

2.3 A Tranche of Notes may comprise, without limitation, Fixed Rate Notes, Floating Rate Notes, Equity Linked Notes, Zero Coupon Notes, Index Linked Notes or Exchangeable Notes (as specified in the Applicable Pricing Supplement) and/or such combination of the foregoing Notes and/or such other type of Notes as may be determined by the Issuer and the relevant Dealer(s) and specified in the Applicable Pricing Supplement. References in the Terms and Conditions to a "Tranche of Notes" and "Notes" are to the type of Notes specified in

the relevant Applicable Pricing Supplement. For the avoidance of doubt, where certain of the Terms and Conditions are expressed to apply only to certain types of Notes, such Terms and Conditions shall only apply to that type of Notes, as specified in the relevant Applicable Pricing Supplement, and shall not apply to any other type of Notes.

- 2.4 The applicable Terms and Conditions of a Tranche of Notes are incorporated by reference into the Individual Certificate(s) (if any) representing any of the Notes in that Tranche. The Applicable Pricing Supplement relating to any Notes in a Tranche which are represented by Individual Certificate(s) will be attached to such Individual Certificate(s).

3. FORM AND DENOMINATION

3.1 General

- 3.1.1 All payments in relation to the Notes will be made in the Specified Currency. The denomination of each Note will be the Specified Denomination. The Notes will be issued with a minimum Specified Denomination of ZAR1,000,000.
- 3.1.2 A Tranche of Registered Notes may be listed on the Interest Rate Market of the JSE or on such other or further Relevant Stock Exchange(s) as may be determined by the Issuer and the Dealer(s), subject to any Applicable Laws. Unlisted Notes may also be issued under the Programme. Unlisted Notes are not regulated by the JSE. The Applicable Pricing Supplement will specify whether or not a Tranche of Notes will be listed and, if so, on which Relevant Stock Exchange(s).
- 3.1.3 The holders of Notes that are not listed on the Interest Rate Market of the JSE will have no recourse against the JSE and/or the BESA Guarantee Fund Trust. Claims against the BESA Guarantee Fund Trust may only be made in respect of the trading of Notes listed on the Interest Rate Market of the JSE and in accordance with the rules of the BESA Guarantee Fund Trust.
- 3.1.4 A Tranche of Notes may be issued in the form of Registered Notes, Bearer Notes or Order Notes, as specified in the Applicable Pricing Supplement.

3.2 Registered Notes

3.2.1 *Notes issued in uncertificated form*

Each Tranche of Notes which is listed on the Interest Rate Market of the JSE and each Tranche of unlisted Notes will be issued in registered uncertificated form in terms of section 37 of the Securities Services Act, and will be held in the CSD. Notes issued in uncertificated form will not be represented by any certificate or written instrument.

3.2.2 *Beneficial Interests in Notes held in the CSD*

All Notes which are held in the CSD will be held subject to the Securities Services Act and the Applicable Procedures. All amounts to be paid and all rights to be exercised in respect of Notes held in the CSD will be paid to and may be exercised only by the CSD's Nominee for the holders of Beneficial Interests in such Notes.

3.2.3 *Notes represented by Individual Certificates*

A holder of a Beneficial Interest shall only be entitled to exchange such Beneficial Interest for Notes represented by an Individual Certificate in accordance with Condition 12.1.

3.3 Bearer Notes and Order Notes

Bearer Notes will be embodied in, and represented by, Bearer Certificate(s). Order Notes will be embodied in, and represented by, Order Certificate(s). Interest-bearing Bearer Notes and Order Notes may have Coupons attached to the relevant Bearer Certificate or Order Certificate on issue.

4. TITLE

4.1 Registered Notes

4.1.1 *Notes issued in uncertificated form*

The CSD's Nominee will be named in the Register as the registered holder of each Tranche of Notes which is issued in uncertificated form and held in the CSD.

4.1.2 *Beneficial Interests in Notes held in the CSD*

- 4.1.2.1 While a Tranche of Notes is held in its entirety in the CSD, the CSD's Nominee will be named in the Register as the sole Noteholder of the Notes in that Tranche.
- 4.1.2.2 Beneficial Interests which are held by Participants will be held directly through the CSD, and the CSD will hold such Beneficial Interests, on behalf of such Participants, through the central securities accounts maintained by the CSD for such Participants.
- 4.1.2.3 Beneficial Interests which are held by clients of Participants will be held indirectly through such Participants, and such Participants will hold such Beneficial Interests, on behalf of such clients, through the securities accounts maintained by such Participants for such clients. The clients of Participants

may include the holders of Beneficial Interests or their custodians. The clients of Participants, as the holders of Beneficial Interests or as custodians for such holders, may exercise their rights in respect of the Notes held by them in the CSD only through their Participants.

4.1.2.4 In relation to each Person shown in the records of the CSD or the relevant Participant, as the case may be, as the holder of a Beneficial Interest in a particular Nominal Amount of Notes, a certificate or other document issued by the CSD or the relevant Participant, as the case may be, as to the aggregate Nominal Amount of such Notes standing to the account of such Person shall be *prima facie* proof of such Beneficial Interest. The CSD's Nominee (as the registered holder of such Notes named in the Register) will be treated by the Issuer, the Paying Agent, the Transfer Agent and the relevant Participant as the holder of that aggregate Nominal Amount of such Notes for all purposes.

4.1.2.5 Beneficial Interests in Notes may be transferred only in accordance with the Applicable Procedures. Such transfers will not be recorded in the Register and the CSD's Nominee will continue to be reflected in the Register as the registered holder of such Notes, notwithstanding such transfers.

4.1.2.6 Any reference in the Terms and Conditions to the relevant Participant shall, in respect of a Beneficial Interest, be a reference to the Participant appointed to act as such by the holder of such Beneficial Interest.

4.1.3 *Notes represented by Individual Certificates*

4.1.3.1 Each holder of Notes represented by an Individual Certificate will be named in the Register as the registered holder of such Notes.

4.1.3.2 Title to Notes represented by an Individual Certificate will pass upon registration of transfer in the Register in accordance with Condition 14.1.

4.1.4 *Register*

The Issuer, the Transfer Agent and the Paying Agent shall recognise a Noteholder as the sole and absolute owner of the Notes registered in that Noteholder's name in the Register (notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) and neither the Issuer nor the Transfer Agent shall be bound to enter any trust in the Register or to take notice of or to accede to the execution of any trust, express, implied or constructive, to which any Note may be subject.

4.2 **Bearer Notes**

4.2.1 The Issuer, the Transfer Agent and the Paying Agent may deem and treat the Bearer of any Bearer Certificate as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes.

4.2.2 Title to Bearer Notes will pass by delivery of the relevant Bearer Certificate in accordance with Condition 14.2.

4.2.3 The disposal or acquisition of or dealing in Bearer Notes is subject to the prior written approval of the Minister of Finance (or a person authorised by the Minister of Finance) in accordance with Regulation 15 of the Exchange Control Regulations.

4.3 **Order Notes**

4.3.1 The Issuer, the Transfer Agent and the Paying Agent may deem and treat the person who from the face of the Order Certificate appears to be the Payee thereof as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or notice of any previous loss or theft thereof) for all purposes, and payment to such person or its Representative shall discharge the Issuer from all liability to the Payee in relation to such Order Certificate, even if the relevant Endorsement has been forged or made without authority.

4.3.2 Title to Order Notes will initially pass by Endorsement and delivery of the relevant Order Certificate in accordance with Condition 14.3. An Order Certificate upon which the last Endorsement is an Endorsement in Blank shall be treated as a Bearer Certificate, for so long as not subject to further Endorsement.

4.3.3 Provided the Issuer pays any amount due upon presentation and surrender of an Order Certificate in good faith, it shall not be incumbent upon the Issuer or the Transfer Agent or the Paying Agent to determine or prove that the Endorsement of the Payee making such Endorsement was made by or under the authority of the person whose Endorsement it purports to be.

5. **STATUS OF THE NOTES**

The Notes are direct, unconditional, unsubordinated and (subject to the provisions of Condition 7) unsecured obligations of the Issuer and rank *pari passu* and rateably without any preference or priority among themselves and (save for certain debts required to be preferred by law that is both mandatory and of general application) at least *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer.

6. GUARANTEE AND STIPULATION FOR THE BENEFIT OF THE NOTEHOLDERS

- 6.1 The Guarantor has, subject to and in accordance with the terms of the Guarantee, irrevocably and unconditionally guaranteed to the Noteholders, the due and punctual payment by the Issuer of all amounts owing by the Issuer in respect of the Notes and the applicable Terms and Conditions.
- 6.2 The original signed Guarantee will be deposited with and held by SBSA, at its Specified Office, for and on behalf of the Noteholders, until the Programme Termination Date.
- 6.3 The provisions of the Guarantee which confer benefits on a Noteholder constitute stipulations for the benefit of that Noteholder, and that Noteholder, upon its subscription for Notes and the issue of Notes to it, or upon the transfer of Notes to it, as the case may be, shall be deemed to have accepted such benefits, and shall accordingly be bound by all those provisions of the Guarantee (if any) which impose obligations and/or restrictions on that Noteholder.

7. NEGATIVE PLEDGE

7.1 The Issuer

- 7.1.1 So long as any of the Notes remain outstanding, the Issuer will not, unless approved by an Extraordinary Resolution, create or permit to subsist any Security Interest upon the whole or any part of its present or future assets or revenues as security for any Relevant Indebtedness or any guarantee or indemnity given in respect of any Relevant Indebtedness unless prior to or simultaneously therewith, the Issuer either:
 - 7.1.1.1 grants or procures to be granted a Security Interest or Security Interests securing its obligations under the Notes and the applicable Terms and Conditions which will result in such obligations being secured equally and rateably in all respects so as to rank *pari passu* with the applicable Relevant Indebtedness; or
 - 7.1.1.2 grants or procures to be granted such other Security Interest or Security Interests in respect of its obligations under the Notes and the applicable Terms and Conditions as shall be approved by an Extraordinary Resolution.
- 7.1.2 The Issuer shall be entitled, but not obliged, to form, or procure the formation of, a trust or special purpose company (or more than one), or appoint, or procure the appointment of, an agent or agents to hold any such Security Interest or Security Interests for the benefit and on behalf of the Noteholders.

7.2 The Guarantor

- 7.2.1 The Guarantor has, in respect of itself and its Subsidiaries, agreed to the negative pledge set out in clause 4 (*Negative Pledge*) of the Guarantee.
- 7.2.2 Clause 4 of the Guarantee (*Negative Pledge*) shall be deemed to form part of the Terms and Conditions, save that clause 4 (*Negative Pledge*) of the Guarantee shall be governed by, and construed in accordance with, the laws of New South Wales, Australia.

8. INTEREST

8.1 General

A Tranche of Notes may be interest-bearing or non-interest bearing, as specified in the Applicable Pricing Supplement. Interest may accrue on an interest-bearing Tranche of Notes at a fixed rate or a floating rate or other variable rate or be index linked, and the method of calculating interest may vary between the Issue Date and the Maturity Date, all as specified in the Applicable Pricing Supplement. The Applicable Pricing Supplement may specify the actual Interest Amount rather than, or in addition to, the Interest Rate. The Applicable Pricing Supplement will specify which of Conditions 8.2, 8.3, 8.4 and 8.5 will be applicable to a Tranche of interest-bearing Notes. Condition 8.6 will be applicable to each Tranche of interest-bearing Notes unless (and to the extent) otherwise provided in the Applicable Pricing Supplement.

8.2 Interest on Fixed Rate Notes

8.2.1 *Accrual of interest*

- 8.2.1.1 Each Fixed Rate Note in a Tranche shall bear interest on its Outstanding Nominal Amount from (and including) the Interest Commencement Date to (but excluding) the Final Redemption Date, at the rate per annum equal to the Fixed Interest Rate.
- 8.2.1.2 Interest in respect of a Tranche of Fixed Rate Notes shall be payable in arrear on each Interest Payment Date and on the Final Redemption Date if the Final Redemption Date does not fall on an Interest Payment Date. The first payment of interest will be made on the Interest Payment Date immediately following the Interest Commencement Date.

8.2.2 *Calculation of Interest Amount*

- 8.2.2.1 Unless otherwise specified in the Applicable Pricing Supplement, the amount of interest payable in respect of a Tranche of Fixed Rate Notes in respect of any six-monthly Interest Period shall be calculated by dividing the Fixed Interest Rate by two and multiplying the product by the Outstanding Nominal Amount, provided that:

- 8.2.2.1.1 if an Initial Broken Amount is specified in the Applicable Pricing Supplement, then the first Interest Amount shall equal the Initial Broken Amount specified in the Applicable Pricing Supplement; and
- 8.2.2.1.2 if a Final Broken Amount is specified in the Applicable Pricing Supplement, then the final Interest Amount shall equal the Final Broken Amount.
- 8.2.2.2 Save as provided in the preceding paragraphs of this Condition 8.2, if interest is required to be calculated for a period of other than one year (in the case of annual interest payments) or other than six months (in the case of semi-annual interest payments), as the case may be, such interest shall be calculated on the basis of the actual number of days in such period divided by 365.

8.3 Interest on Floating Rate Notes

8.3.1 *Accrual of interest*

- 8.3.1.1 Each Floating Rate Note in a Tranche shall bear interest on its Outstanding Nominal Amount from (and including) the Interest Commencement Date to (but excluding) the Final Redemption Date, at the rate per annum equal to the Floating Interest Rate.
- 8.3.1.2 Interest in respect of a Tranche of Floating Rate Notes shall be payable in arrear on each Interest Payment Date and on the Final Redemption Date if the Final Redemption Date does not fall on an Interest Payment Date. The first payment of interest will be made on the Interest Payment Date next following the Interest Commencement Date.

8.3.2 *Floating Interest Rate*

The Floating Interest Rate which is applicable to a Tranche of Floating Rate Notes for an Interest Period will be determined on the basis of Screen Rate Determination or on the basis of ISDA Determination or on such other basis as may be determined by the Issuer and specified in the Applicable Pricing Supplement.

8.3.3 *Screen Rate Determination*

Where Screen Rate Determination is specified in the Applicable Pricing Supplement as the manner in which the Floating Interest Rate is to be determined, the Floating Interest Rate applicable to the relevant Tranche of Floating Rate Notes for each Interest Period will be determined by the Calculation Agent on the following basis:

- 8.3.3.1 if the Relevant Screen Page is available, either (a) the offered quotation (if only one quotation appears on the screen page) or (b) the arithmetic mean (rounded, if necessary, to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations, as the case may be, for the Reference Rate which appears on the Relevant Screen Page as at the Relevant Time on the Interest Determination Date in question plus or minus (as appropriate the Margin (if any), all as determined by the Calculation Agent. If five or more such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations; or
- 8.3.3.2 if the Relevant Screen Page is not available or if, in the case of Condition 8.3.3.1(a), no such offered quotation appears or, in the case of Condition 8.3.3.1(b), fewer than three such offered quotations appear, in each case as at the Relevant Time, the Calculation Agent shall request the principal Johannesburg office of each of the Reference Banks to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately the Relevant Time on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Floating Interest Rate for the relevant Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place with 0.000005 being rounded upwards) of such offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Calculation Agent; or
- 8.3.3.3 if the Interest Rate cannot be determined by applying the provisions of Condition 8.3.3.1 or Condition 8.3.3.2, as the case may be, the Interest Rate for the relevant Interest Period shall be the rate per annum which the Calculation Agent determines as being the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the rates, as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks offered, at approximately the Relevant Time on the relevant Interest Determination Date, deposits in an amount approximately equal to the aggregate Nominal Amount of the relevant Tranche of Floating Rate Notes, for a period equal to that which would have been used for the Reference Rate to Reference Banks in the Johannesburg inter-bank market plus or minus (as appropriate) the Margin (if any). If fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the Floating Interest Rate for the relevant Interest Period will be determined by the Calculation Agent as the arithmetic mean (rounded as provided above) of the rates for deposits in an amount approximately equal to the aggregate Nominal Amount of the relevant Tranche of Floating Rate Notes, for a period equal to that which would have been used for the Reference Rate, quoted at approximately the Relevant Time on the relevant Interest Determination Date, by four leading banks in Johannesburg

(selected by the Calculation Agent and approved by the Issuer) plus or minus (as appropriate) the Margin (if any); or

- 8.3.3.4 if the Floating Interest Rate cannot be determined in accordance with the provisions of Condition 8.3.3.3, the Floating Interest Rate shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period, in place of the Margin relating to that last preceding Interest Period).

8.3.4 *ISDA Determination*

- 8.3.4.1 Where ISDA Determination is specified in the Applicable Pricing Supplement as the manner in which the Floating Interest Rate is to be determined, the Floating Interest Rate applicable to the relevant Tranche of Floating Rate Notes for each Interest Period will be the relevant ISDA Rate plus or minus (as appropriate) the Margin (if any).

- 8.3.4.2 For the purposes of Condition 8.3.4.1, **ISDA Rate**, in relation to an Interest Period, means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a notional interest rate swap transaction if the Calculation Agent were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- 8.3.4.2.1 the Floating Rate Option is as specified in the Applicable Pricing Supplement;
- 8.3.4.2.2 the Designated Maturity is the period specified in the Applicable Pricing Supplement; and
- 8.3.4.2.3 the relevant Reset Date is either (i) if the applicable Floating Rate Option is based on JIBAR, the first day of that Interest Period or (ii) in any other case, as specified in the Applicable Pricing Supplement.

- 8.3.4.3 For purposes of Condition 8.3.4.2, **Floating Rate**, **Floating Rate Option**, **Designated Maturity** and **Reset Date** have the meanings given to those expressions in the ISDA Definitions and **JIBAR** means the average mid-market yield rate per annum for a period of the Designated Maturity which appears on the Reuters Screen SAFETY page at or about 11h00 (South African time) on the relevant date (or any successor rate).

8.3.5 *Minimum and/or Maximum Rate of Interest*

If the Applicable Pricing Supplement specifies a Minimum Rate of Interest for any Interest Period, then the Floating Interest Rate for such Interest Period shall in no event be less than such Minimum Rate of Interest. If the Applicable Pricing Supplement specifies a Maximum Rate of Interest for any Interest Period, then the Floating Interest Rate for such Interest Period shall in no event be greater than such Maximum Rate of Interest.

8.3.6 *Determination of Floating Interest Rate and calculation of Interest Amount*

- 8.3.6.1 The Calculation Agent will on, or as soon as is practicable after, each Interest Determination Date, but in any event not later than 3 (three) Business Days after the Interest Determination Date, determine the Floating Interest Rate applicable to each Tranche of Floating Rate Notes for the Interest Period commencing on that Interest Determination Date.
- 8.3.6.2 Unless specified otherwise in the Applicable Pricing Supplement, the Interest Amount payable in respect of a Tranche of Floating Rate Notes for an Interest Period shall be calculated by multiplying the Floating Interest Rate for such Interest Period by the Outstanding Nominal Amount of that Tranche of Floating Rate Notes, then multiplying the product by the applicable Day Count Fraction and rounding the resultant figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards).

8.4 **Indexed Linked Interest Notes**

The Interest Rate(s) applicable to a Tranche of Indexed Linked Interest Notes for each Interest Period, and the Interest Amount payable for such Interest Period, shall be determined in the manner specified in the Applicable Pricing Supplement.

8.5 **Equity Linked Notes and other Notes**

The Applicable Pricing Supplement relating to a Tranche of Equity Linked Notes, and the Applicable Pricing Supplement relating to any Tranche of Notes not specifically provided for in the Terms and Conditions, will set out, among other things, the manner in which the interest and/or other amounts payable in respect of that Tranche are to be calculated, the Interest Commencement Date (and/or other payment commencement date), the Interest Payment Date(s) (and/or other payment date(s)) and the Interest Period(s) (and/or other payment period(s)).

8.6 **Supplemental provisions**

8.6.1 *Calculation of Interest Amount*

The Interest Amount payable by the Issuer in respect of a Tranche of interest-bearing Notes for an Interest Period will be calculated by the Calculation Agent, on the terms and conditions of the Agency Agreement (if

any), on the basis set out in this Condition 8 or as may otherwise be provided in the Applicable Pricing Supplement.

8.6.2 *Calculation of other amounts*

If the Applicable Pricing Supplement specifies that any other amount, rate, index and/or formula in relation to the relevant Tranche of Notes is to be calculated by the Calculation Agent, the Calculation Agent will, as soon as practicable after the time or times at which any such amount, rate, index and/or formula is to be determined, calculate the relevant amount, rate, index and/or formula in the manner specified in the Applicable Pricing Supplement.

8.6.3 *Fallback Interest Rate*

Unless otherwise specified in the relevant Applicable Pricing Supplement, if the Calculation Agent is unable to determine a rate (or, as the case may be, the arithmetic mean of rates) in accordance with the above provisions of this Condition 8, the Interest Rate applicable to the relevant Tranche of Notes during the relevant Interest Period will be the Interest Rate applicable to the relevant Tranche of Notes during the immediately preceding Interest Period (with adjustment for any change in the Margin, Maximum Interest Rate or Minimum Interest Rate).

8.6.4 *Rounding*

For the purposes of any calculations required pursuant to the Terms and Conditions (unless otherwise specified in the relevant Applicable Pricing Supplement), (a) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (b) all figures shall be rounded to seven significant figures (with halves being rounded up) and (c) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up). For these purposes unit means the lowest amount of such currency that is available as legal tender in the country of such currency.

8.6.5 *Notification of Floating Interest Rate and each Interest Amount*

8.6.5.1 The Calculation Agent will cause each Floating Interest Rate (in the case of a Tranche of Floating Rate Notes) and each Interest Amount determined by it (and any other amount(s) required to be determined by it) to be notified to the Issuer and, if the relevant Tranche of Notes is listed on the Interest Rate Market of the JSE, the JSE and the CSD as soon as practicable after such determination but in any event not later than 3 (three) Business Days after the Interest Determination Date (in the case of the determination of Floating Interest Rate applicable to a Tranche of Floating Rate Notes) and not later than 3 (three) Business Days before the Interest Payment Date (in the case of the determination of the Interest Amount). Notice thereof shall also promptly be given to the Noteholders in accordance with Condition 18.

8.6.5.2 The Calculation Agent will be entitled to recalculate any Interest Amount (on the basis of the foregoing provisions) without notice in the event of an extension or shortening of the relevant Interest Period. Any such amendment will be promptly notified to the Issuer and to the Noteholders in accordance with Condition 18 and, if the relevant Tranche of Notes is listed on the Interest Rate Market of the JSE, the JSE and the CSD. If the Interest Amount is less than the minimum Specified Denomination the Calculation Agent shall not be obliged to publish each Interest Amount but instead may publish only the Interest Amount in respect of a Note having the minimum Specified Denomination.

8.6.6 *Certificates to be final*

8.6.6.1 All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 8 by the Calculation Agent shall (in the absence of wilful deceit, bad faith or manifest error or dispute as set out in Condition 8.6.6.2) be binding on the Issuer, the Calculation Agent and the Noteholders and no liability to the Issuer or the Noteholders shall attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to the provisions of this Condition 8.

8.6.6.2 If the Issuer acts as the Calculation Agent and Noteholders holding not less than 25% of the aggregate Outstanding Nominal Amount of the Notes in the relevant Tranche(s) of Notes deliver a notice to the Issuer (in the manner set out in Condition 18) objecting to any determination made by the Issuer in respect of the relevant Tranche(s) of Notes, within five Business Days of notification to the relevant Noteholders of the Interest Rate and/or Interest Amount in accordance with Condition 8.6.5, such determination shall not be regarded as being final and, upon receipt of such notification, the Issuer shall request the chief executive officer for the time being of the JSE to appoint an independent third party to make such determination. The Issuer shall use its best endeavours to procure that such independent third party will make such determination promptly, acting as an expert and not as an arbitrator. The determination made by such third party shall, in the absence of wilful deceit, bad faith or manifest error, be binding on the Issuer and the relevant Noteholders, and no liability to the Issuer or the relevant Noteholders shall attach to such third party in connection with the exercise or non-exercise by it of its powers, duties and discretions contemplated in this Condition 8.6.6.2. The costs of procuring and effecting the determination made by such third party shall be borne by the Issuer if such determination differs from that of the Issuer and shall be borne by the relevant Noteholders disputing the Issuer's determination if the determination made by such third party confirms that of the Issuer.

8.6.7 *Default interest*

- 8.6.7.1 If payment of principal (or the relevant portion thereof) and/or interest due and payable in respect of a Tranche of interest-bearing Notes (or the relevant Notes in that Tranche) is improperly withheld or refused, the overdue principal and/or interest will bear interest at the Default Rate until the earlier of (i) the date on which the full amount of such overdue principal and/or interest has been paid to the relevant Noteholders and (ii) where such Notes are held in the CSD, the date on which the full amount of such overdue principal and/or interest has been received by the CSD's Nominee and notice to that effect has been given to the relevant Noteholders in accordance with Condition 18.
- 8.6.7.2 If payment of principal (or the relevant portion thereof) due and payable in respect of a Tranche of Zero Coupon Notes (or the relevant Notes in that Tranche) is improperly withheld or refused then, unless otherwise specified in the Applicable Pricing Supplement, the overdue principal will bear interest at the Amortisation Yield until the earlier of (i) the date on which the full amount of such overdue principal has been paid to the relevant Noteholders and (ii) where such Notes are held in the CSD, the date on which the full amount of such overdue principal has been received by the CSD's Nominee and notice to that effect has been given to the relevant Noteholders in accordance with Condition 18.

9. **PAYMENTS**

9.1 **General**

- 9.1.1 Only Noteholders named in the Register at 17h00 (South African time) on the relevant Last Day to Register shall be entitled to payments of amounts due and payable in respect of Registered Notes.
- 9.1.2 All payments of all amounts (whether in respect of principal, interest or otherwise) due and payable in respect of any Notes shall be made by the Issuer (where the Issuer itself acts as Paying Agent) or the Paying Agent on behalf of the Issuer (where the Issuer has appointed a third party to act as Paying Agent), as the case may be, on the terms and conditions of the Agency Agreement (if any) and this Condition 9.
- 9.1.3 All references in this Condition 9 to "*Paying Agent*" shall be construed as references to the Issuer (where the Issuer itself acts as Paying Agent) or the Paying Agent on behalf of the Issuer (where the Issuer has appointed a third party entity to act as Paying Agent), as the case may be.
- 9.1.4 Payments will be subject in all cases to any fiscal or other laws, directives and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 11.

9.2 **Payments - Registered Notes**

9.2.1 *Method of payment*

- 9.2.1.1 The Paying Agent shall pay all amounts due and payable in respect of any Registered Notes:
- 9.2.1.1.1 in the case of Notes which are held in the CSD, in immediately available and freely transferable funds, in the Specified Currency, by electronic funds transfer to the bank account of the CSD's Nominee, as the registered Noteholder of such Notes, which in turn will transfer such funds, via the Participants, to the holders of Beneficial Interests in such Notes;
- 9.2.1.1.2 in the case of Note(s) which are represented by an Individual Certificate, in immediately available and freely transferable funds, in the Specified Currency, by electronic funds transfer, to the bank account of the person named as the registered Noteholder of such Notes in the Register or, in the case of joint registered Noteholders, the bank account of the first one of them named in the Register in respect of such Notes; provided that if several persons are entered into the Register as joint registered Noteholders of such Notes then, without affecting the previous provisions of this Condition 9, payment to any one of them shall be an effective and complete discharge by the Issuer of the amount so paid, notwithstanding any notice (express or otherwise) which the Paying Agent and/or the Issuer may have of the right, title, interest or claim of any other person to or in any such Notes.
- 9.2.1.2 Neither the Issuer nor the Paying Agent shall be responsible for the loss in transmission of any such funds, and payment of any amount into the bank account referred to in Condition 9.2.1.1.1 or Condition 9.2.1.1.2, as the case may be, in accordance with Condition 9.2.1.1, shall be satisfaction *pro tanto*, to the extent of such amount, of the Issuer's obligations to the Noteholders under the relevant Registered Notes and the applicable Terms and Conditions.

9.2.2 *Beneficial Interests*

- 9.2.2.1 Following payment to the CSD's Nominee of amounts due and payable in respect of Notes which are held in the CSD pursuant to Condition 9.2.1.1.1, the relevant funds will be transferred by the CSD's Nominee, via the Participants, to the holders of Beneficial Interests in such Notes.
- 9.2.2.2 Each of the persons reflected in the records of the CSD or the relevant Participant, as the case may be, as the holders of Beneficial Interests in Notes, will look solely to the CSD or the relevant Participant, as the case may be, for such person's share of each payment so made by the Paying Agent, on behalf of the Issuer, to or for the order of the CSD's Nominee, as the registered Noteholder of such Notes.

9.2.2.3 Neither the Paying Agent nor the Issuer will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, Beneficial Interests or for maintaining, supervising or reviewing any records relating to Beneficial Interests.

9.2.2.4 Payments of amounts due and payable in respect of Beneficial Interests in Notes will be recorded by the CSD's Nominee, as the registered holder of such Notes, distinguishing between interest and principal, and such record of payments by the CSD's Nominee, as the registered Noteholder of such Notes, will be *prima facie* proof of such payments.

9.2.3 *Surrender of Individual Certificates*

9.2.3.1 Payments of principal in respect of any Registered Note(s) which is/are represented by Individual Certificate(s) shall be made to the Noteholder(s) of such Registered Note(s) only if, prior to the Applicable Redemption Date, such Individual Certificate(s) shall have been surrendered to the Transfer Agent (at its Specified Office).

9.2.3.2 If the relevant Individual Certificate is not surrendered to the Transfer Agent (at its Specified Office) in accordance with Condition 9.2.3.1, the amount of principal payable to the Noteholder of the Registered Note(s) represented by that Individual Certificate shall be retained by the Paying Agent for such Noteholder, at the latter's risk, until that Individual Certificate shall have been surrendered to the Transfer Agent (at its Specified Office), and such Noteholder will not be entitled to any interest and/or other payments in respect of any delay in payment occasioned as a result of such failure to surrender such Individual Certificate.

9.3 **Payments – Bearer Notes**

9.3.1 Payments of:

9.3.1.1 principal in respect of any Bearer Note(s) which is/are to be redeemed (whether in whole or in part) pursuant to the applicable Terms and Conditions shall be made to the relevant Bearer(s) only against presentation and surrender, by the relevant Bearer(s) or its/their Representative(s), of the relevant Bearer Certificate(s), to the Paying Agent (at its Specified Office);

9.3.1.2 interest in respect of Bearer Note(s) shall be made to the relevant Bearer(s) only against presentation and surrender, by the relevant Bearer(s) or its/their Representative(s), of the relevant Coupon(s) (or where the relevant Bearer Certificate(s) are issued without Coupons, of the relevant Bearer Certificate(s)), to the Paying Agent (at its Specified Office).

9.3.2 Upon presentation and surrender of the relevant Bearer Certificate or Coupon, as the case may be, to the Paying Agent (at its Specified Office) in terms of Condition 9.3.1, the relevant Bearer (or its Representative) shall notify the Paying Agent of the address (within South Africa or such Other Banking Jurisdiction as is specified in the Applicable Pricing Supplement) of the relevant Bearer and the bank account (within South Africa) into which the relevant payment must be made.

9.3.3 Subject to Conditions 9.3.1 and 9.3.2, the Paying Agent shall pay all amounts due and payable in respect of any Bearer Note(s), in immediately available and freely transferable funds, in the Specified Currency, by electronic funds transfer, to the bank account referred to in Condition 9.3.2. Neither the Issuer nor the Paying Agent shall be responsible for the loss in transmission of any such funds, and payment of any amount into such bank account, in accordance with this Condition 9.3.3, shall be satisfaction *pro tanto*, to the extent of such amount, of the Issuer's obligations to the Noteholders under the relevant Bearer Note(s) and the applicable Terms and Conditions.

9.4 **Payments – Order Notes**

9.4.1 Payments of:

9.4.1.1 principal in respect of any Order Note(s) which is/are to be redeemed (whether in whole or in part) pursuant to the applicable Terms and Conditions shall be made to the relevant Payee(s) only against presentation and surrender, by the relevant Payee(s) or its/their Representative(s), of the relevant Order Certificate(s), to the Paying Agent (at its Specified Office);

9.4.1.2 interest in respect of Order Note(s) shall be made to the relevant Payee(s) only against presentation and surrender, by the relevant Payee(s) or its/their Representative(s), of the relevant Coupon(s) (or where the relevant Order Certificate(s) are issued without Coupons, of the relevant Order Certificate(s)), to the Paying Agent (at its Specified Office).

9.4.2 Upon presentation and surrender of the relevant Order Certificate or Coupon, as the case may be, to the Paying Agent (at its Specified Office) in terms of Condition 9.4.1, the relevant Payee (or its Representative) shall notify the Paying Agent of the address (within South Africa or such Other Banking Jurisdiction as is specified in the Applicable Pricing Supplement) of the relevant Payee and the bank account (within South Africa) into which the relevant payment must be made.

9.4.3 Subject to Conditions 9.4.1 and 9.4.2, the Paying Agent shall pay all amounts due and payable in respect of any Order Note(s), in immediately available and freely transferable funds, in the Specified Currency, by electronic funds transfer, to the bank account referred to in Condition 9.4.2. Neither the Issuer nor the Paying Agent shall be responsible for the loss in transmission of any such funds, and payment of any amount into such bank account, in accordance with this Condition 9.4.3, shall be satisfaction *pro tanto*, to

the extent of such amount, of the Issuer's obligations to the Noteholders under the relevant Order Note(s) and the applicable Terms and Conditions.

9.5 Payments by cheque

- 9.5.1 If the Paying Agent is prevented or restricted directly or indirectly from making any payment by electronic funds transfer in accordance with the preceding provisions of this Condition 9 (whether by reason of strike, lockout, fire, explosion, floods, riot, war, accident, act of God, embargo, legislation, shortage of or breakdown in facilities, civil commotion, unrest or disturbances, cessation of labour, Government interference or control or any other cause or contingency beyond the control of the Paying Agent), such inability to make payment will not constitute an Event of Default and the Paying Agent shall be entitled (subject to Applicable Laws and banking practice) to make such payment by cheque (or by such number of cheques as may be required in accordance with applicable banking law and practice).
- 9.5.2 All moneys so payable by cheque shall, promptly after the Paying Agent is so prevented or restricted from making payment by electronic funds transfer (as contemplated in Condition 9.5.1), be sent by post, at the risk of the relevant Noteholder (unless otherwise requested by the relevant Noteholder by notice in writing to the Paying Agent):
- 9.5.2.1 in the case of Registered Notes, to the address of the relevant Noteholder of Notes set forth in the Register or, in the case of joint Noteholders of Notes, the address set forth in the Register of that one of them who is first named in the Register in respect of such Notes;
- 9.5.2.2 in the case of Bearer Notes, to the address of the relevant Bearer referred to in Condition 9.3.2;
- 9.5.2.3 in the case of Order Notes, to the address of the relevant Payee referred to in Condition 9.4.2.
- 9.5.3 Each such cheque shall be made payable to or for the order of the relevant Noteholder or, in the case of joint Noteholders of Registered Notes, the first one of them named in the Register. Cheques may be posted by ordinary post, provided that neither the Issuer nor the Paying Agent shall be responsible for any loss, including without limitation any loss due to theft or fraud, in transmission and the postal authorities shall be deemed to be the agent of the relevant Noteholders for the purposes of all cheques posted in terms of this Condition 9.5.
- 9.5.4 Payment by cheque sent in terms of this Condition 9.5 shall be a complete discharge by the Issuer of its obligations in respect of the amount of the cheque. The relevant Noteholders shall not be entitled to any interest or other payment in respect of any delay in payment of any amount in respect of the relevant Notes resulting from a cheque mailed in accordance with this Condition 9.5 arriving after the due date for such payment or being lost in the mail.

9.6 Payment day

Notwithstanding anything to the contrary contained in the Terms and Conditions, if the date for payment of any amount due and payable in respect of any Notes is not a Business Day then:

- 9.6.1 if a Business Day Convention is not specified in the Applicable Pricing Supplement, such date for payment shall be the following Business Day;
- 9.6.2 if a Business Day Convention is specified in the Applicable Pricing Supplement, such date for payment shall be adjusted according to such Business Day Convention,

and the Noteholders of such Notes thereof shall not be entitled to any interest or other payments in respect of such delay.

9.7 Interpretation of principal and interest

- 9.7.1 Any reference in the Terms and Conditions to principal in respect of the Notes shall be deemed to include, as applicable:
- 9.7.1.1 any additional amounts which may be payable with respect to principal under Condition 11;
- 9.7.1.2 the Final Redemption Amount;
- 9.7.1.3 the Optional Redemption Amount (Put);
- 9.7.1.4 the Optional Redemption Amount (Call);
- 9.7.1.5 the Early Redemption Amount;
- 9.7.1.6 the Early Termination Amount;
- 9.7.1.7 in relation to Zero Coupon Notes, the Amortised Face Amount; and
- 9.7.1.8 any premium and any other amounts which may be payable by the Issuer under or in respect of the Notes, but excluding for the avoidance of doubt, interest.
- 9.7.2 Any reference in the Terms and Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 11.

10. REDEMPTION AND PURCHASE

Unless previously redeemed or purchased and cancelled, a Tranche of Notes will be redeemed by the Issuer, on the Maturity Date, at par or at such other Final Redemption Amount (detailed in a formula, index or otherwise) as may be specified in the Terms and Conditions and/or the Applicable Pricing Supplement, as set out in Condition 10.1. The Applicable Pricing Supplement will specify either that the relevant Tranche of Notes cannot be redeemed prior to the Maturity Date (other than following the occurrence of a Tax Event and/or a Change in Law, as described in Condition 10.4 or following an Event of Default, as described in Condition 16.3) or that the relevant Tranche of Notes may, if the Put Option is specified in the Applicable Pricing Supplement as being applicable, be redeemed at the option of the Noteholders (as described in Condition 10.2) and/or that the relevant Tranche of Notes may, if the Call Option is specified in the Applicable Pricing Supplement as being applicable, be redeemed at the option of the Issuer (as described in Condition 10.3).

10.1 Redemption on the Maturity Date

Unless previously redeemed or purchased and cancelled, a Tranche of Notes will be redeemed by the Issuer, at the Final Redemption Amount, on the Maturity Date.

10.2 Early redemption at the option of Noteholders

- 10.2.1 If the Put Option is applicable to a Tranche of Notes, a Noteholder of any Notes in that Tranche of Notes may, at its option (but subject to Condition 10.2.2) require the Issuer to redeem all or any of such Notes (as specified in the Put Option Notice) (the **relevant Notes**), in whole or in part (as specified in the Put Option Notice), at the Optional Redemption Amount (Put), on the Optional Redemption Date (Noteholder).
- 10.2.2 In order to exercise the Put Option, the relevant Noteholder shall, not less than 30 (thirty) days nor more than 60 (sixty) days before the Optional Redemption Date (Noteholder), send the duly completed and signed Put Option Notice, together (in the case of Registered Notes) with a copy of the Individual Certificate (if any) representing such Registered Notes or (in the case of Bearer Notes and Order Notes), a copy of the relevant Bearer Certificate or the relevant Order Certificate, as the case may be, to the Issuer (with a copy of the Put Option Notice to the Paying Agent, the Calculation Agent and the Transfer Agent).
- 10.2.3 No Individual Certificate representing the relevant Notes which has been surrendered to the Transfer Agent in accordance with Condition 9.2.3, and no Bearer Certificate or Order Certificate, as the case may be, representing and embodying the relevant Notes which has been presented and surrendered to the Paying Agent in accordance with Condition 9.3 or Condition 9.4, as the case may be, may be withdrawn; provided that if, prior to the Optional Redemption Date (Noteholder), the relevant Notes become immediately due and payable or payment of the relevant redemption monies is improperly withheld or refused, such Individual Certificate, Bearer Certificate or Order Certificate, as the case may be, shall, without prejudice to the exercise of the Put Option, be returned to the relevant Noteholder by uninsured mail at the address specified by the relevant Noteholder in the relevant Put Option Notice.
- 10.2.4 Provided that the Put Option shall have been duly exercised by the relevant Noteholder in accordance with Condition 10.2.2, the Issuer shall, redeem the relevant Notes, on the Optional Redemption Date (Noteholder), at the Optional Redemption Amount (Put).

10.3 Early redemption at the option of the Issuer

- 10.3.1 If the Call Option is applicable to a Tranche of Notes, the Issuer may, at its option, having given not less than 30 days' notice (or such other period of notice as may be specified in the Applicable Pricing Supplement) to the Paying Agent, the Calculation Agent and the Transfer Agent (unless the Issuer itself acts as Paying Agent and/or Calculation Agent and/or Transfer Agent) and to the relevant Noteholders in accordance with Condition 18 (which notice shall be irrevocable), redeem that Tranche of Notes (in whole or in part, as specified in such notice) in the manner set out in Condition 10.3.2.
- 10.3.2 If the Issuer exercises the Call Option in accordance with Condition 10.3.1, the Issuer shall redeem the relevant Tranche of Notes, on the Optional Redemption Date (Issuer), at the Optional Redemption Amount (Call).

10.4 Early redemption following the occurrence of a Tax Event and/or a Change in Law

- 10.4.1 Any Tranche of Notes in a Series may be redeemed, at the option of the Issuer, in whole but not in part, subject to the Issuer having given not less than 30 days' notice (or such other period of notice as may be specified in the Applicable Pricing Supplement) to the Paying Agent, the Calculation Agent and the Transfer Agent (unless the Issuer itself acts as Paying Agent and/or Calculation Agent and/or Transfer Agent) and to the relevant Noteholders in accordance with Condition 18), on the Early Redemption Date, at the Early Redemption Amount, if a Tax Event and/or a Change in Law has occurred and is continuing.
- 10.4.2 From the date of publication of the notice to Noteholders of the redemption referred to in Condition 10.4.1, the Issuer shall make available at its Specified Office, for inspection by the relevant Noteholders (i) a certificate signed by two authorised signatories of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer to effect such redemption have occurred and (ii) a copy of a legal opinion from a reputable firm of lawyers in South Africa to the effect that a Tax Event and/or a Change in Law has occurred.

10.5 Redemption following an Event of Default

In terms of (and subject to) Condition 16.3, if an Event of Default occurs in relation to a Series of Notes, the relevant Noteholder(s) of Note(s) in that Series may declare such Note(s) to be immediately due and payable (whether or not due for payment).

10.6 Exchangeable Notes

Exchangeable Notes will be redeemed in accordance with the provisions of this Condition 10 and the Applicable Pricing Supplement. If Mandatory Exchange is indicated in the Applicable Pricing Supplement as being applicable, or if the relevant Noteholders exercise the Noteholders Exchange Right, as the case may be, the relevant Exchangeable Notes will be redeemed by the Issuer delivering to the relevant Noteholders as many of the Exchange Securities as are required in accordance with the Exchange Price. The delivery by the Issuer of the Exchange Securities in the manner set out in the Applicable Pricing Supplement shall constitute the *in specie* redemption in full of the relevant Exchangeable Notes.

10.7 Equity Linked Notes

Equity Linked Notes will be redeemed in accordance with the provisions of this Condition 10 and the Applicable Pricing Supplement. If Physical Settlement is specified in the Applicable Pricing Supplement as being applicable, or if Cash Settlement or Physical Settlement at the option of the Issuer is specified in the Applicable Pricing Supplement as being applicable and the Issuer elects Physical Settlement, as the case may be, the relevant Equity Linked Notes will be redeemed by the Issuer delivering to the relevant Noteholders the relevant Underlying Equity/ies. The delivery by the Issuer of the relevant Underlying Equity/ies in the manner set out in the Applicable Pricing Supplement shall constitute the *in specie* redemption in full of the relevant Equity Linked Notes.

10.8 Other Notes

Any other Tranche of Notes not specifically provided for in the Terms and Conditions will be redeemed in accordance with the provisions of this Condition 10 and the Applicable Pricing Supplement.

10.9 Early redemption of Zero Coupon Notes

10.9.1 If a Tranche of Zero Coupon Notes (or the relevant Notes in that Tranche) is/are redeemed (in whole or in part) at any time prior to the Maturity Date then, unless otherwise specified in the Applicable Pricing Supplement, the amount of principal which is due and payable by the Issuer to the relevant Noteholders on the due date for redemption of such Notes will be an amount (the **Amortised Face Amount**) equal to the sum of:

10.9.1.1 the Reference Price (or the relevant portion thereof); and

10.9.1.2 the product of the Accrual Yield (compounded annually unless otherwise specified in the Applicable Pricing Supplement) being applied to the Reference Price (or the relevant portion thereof) from (and including) the Issue Date to (but excluding) the due date for redemption of such Notes.

10.9.2 Where such calculation is to be made for a period which is not a whole number of years, it shall be made on the basis of a 360-day year consisting of 12 months of 30 days each or such other calculation basis as may be specified in the Applicable Pricing Supplement.

10.10 Purchases

The Issuer or certain other entities within the Macquarie Group may at any time purchase Notes at any price in the open market or otherwise. Such Notes may, subject to Applicable Law, be held, resold or, if the Issuer purchases such Notes, at the option of the Issuer, cancelled.

10.11 Cancellation

All Notes which are redeemed or purchased by the Issuer and, at the option of the Issuer, cancelled, will forthwith be cancelled and may not be re-issued or resold. Each Individual Certificate (if any) representing any Notes so redeemed, or purchased and cancelled, shall be forwarded to the Transfer Agent for cancellation. The Transfer Agent will notify the CSD and the JSE of any cancellation, partial redemption or redemption of Registered Notes so that such entities can record the reduction in the aggregate Outstanding Nominal Amount of the Registered Notes in issue. Where only a portion of Registered Notes represented by an Individual Certificate is redeemed or where only a portion of the Order Notes or the Bearer Notes, as the case may be, represented and embodied in an Order Certificate or a Bearer Certificate, as the case may be, is redeemed, as the case may be, the Transfer Agent will deliver a new Individual Certificate, representing the balance of such Registered Notes, to the Noteholder of such Registered Notes, or will make available for delivery, to the relevant Payee or the relevant Bearer, as the case may be, at the Specified Office of the Transfer Agent, a new Order Certificate or a new Bearer Certificate, as the case may be, representing and embodying the balance of such Order Notes or such Bearer Notes, as the case may be.

10.12 Applicable Procedures

The redemption and partial redemption of Beneficial Interests shall take place in accordance with the Applicable Procedures and the Securities Services Act.

11. TAXATION

- 11.1 All payments of principal and interest in respect of the Notes by the Issuer will be made without withholding or deduction for or on account of any Taxes imposed or levied by or on behalf of South Africa or any political subdivision or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In such event, the Issuer will pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Notes after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes in the absence of such withholding or deduction except that no such additional amounts shall be payable with respect to any Note:
- 11.1.1 to a Noteholder who is liable for such Taxes in respect of such Note by reason of his having some connection with South Africa other than the mere holding of such Note or the receipt of principal or interest in respect thereof; or
 - 11.1.2 held by or on behalf of a Noteholder who would not be liable for or subject to such withholding or deduction by complying with any statutory requirement or by making a declaration of non-residency or other similar claim for exemption to the relevant tax authority; or
 - 11.1.3 where such withholding or deduction is in respect of Taxes levied or imposed on interest or principal payments only by virtue of the inclusion of such payments in the "taxable income" (as defined in section 1 of the Income Tax Act) or "taxable capital gain" (as defined in paragraph 1 of Schedule 8 to the Income Tax Act) of the relevant Noteholder; or
 - 11.1.4 where (in the case of any payment of principal and/or interest which is conditional on surrender of the relevant Individual Certificate in accordance with the Terms and Conditions or conditional on presentation and surrender of the relevant Order Certificate or the relevant Bearer Certificate, as the case may be, in accordance with the Terms and Conditions) the relevant Individual Certificate or the relevant Order Certificate or the relevant Bearer Certificate, as the case may be, is surrendered more than 30 days after the Relevant Date except to the extent that the Noteholder thereof would have been entitled to such additional amounts if it had surrendered the relevant Individual Certificate, or presented and surrendered the relevant Order Certificate or the relevant Bearer Certificate, as the case may be, on such thirtieth day; or
 - 11.1.5 if such withholding or deduction arises through the exercise by the revenue authorities of special powers in respect of tax defaulters; or
 - 11.1.6 where any withholding is required under sections 1471 through to 1474 of the U.S. Internal Revenue Code (**FATCA**) (including any regulations or official interpretations issued with respect thereto).
- 11.2 Any reference in the Terms and Conditions to any amounts in respect of the Notes shall be deemed also to refer to any additional amounts which may be payable under the applicable Terms and Conditions or under any undertakings given in addition to, or in substitution for, the applicable Terms and Conditions.

12. EXCHANGE OF BENEFICIAL INTERESTS AND REPLACEMENT OF INDIVIDUAL CERTIFICATES

12.1 Exchange of Beneficial Interests

- 12.1.1 The holder of a Beneficial Interest in Notes may, in terms of the Applicable Procedures and subject to section 44 of the Securities Services Act, by written notice to the holder's nominated Participant (or, if such holder is a Participant, the CSD), request that such Beneficial Interest be exchanged for Notes in definitive form represented by an Individual Certificate (the **Exchange Notice**). The Exchange Notice shall specify (a) the name, address and bank account details of the holder of the Beneficial Interest and (b) the day on which such Beneficial Interest is to be exchanged for an Individual Certificate; provided that such day shall be a Business Day and shall fall not less than 30 (thirty) calendar days after the day on which such Exchange Notice is given.
- 12.1.2 The holder's nominated Participant will, following receipt of the Exchange Notice, through the CSD, notify the Transfer Agent that it is required to exchange such Beneficial Interest for Notes represented by an Individual Certificate. The Transfer Agent will, as soon as is practicable but within 14 (fourteen) days after receiving such notice, in accordance with the Applicable Procedures, procure that an Individual Certificate is prepared, authenticated and made available for delivery, on a Business Day falling within the aforementioned 14 day period, to the Participant acting on behalf of the holder of the Beneficial Interest in respect of the conversion at the Specified Office of the Transfer Agent; provided that joint holders of a Beneficial Interest shall be entitled to receive only one Individual Certificate in respect of that joint holding, and the delivery to one of those joint holders shall be delivery to all of them.
- 12.1.3 Registered Notes are issued in uncertificated form and, in order to effect the exchange of a Beneficial Interest in any Notes (a) the CSD's Nominee will, prior to the Exchange Date, surrender (through the CSD system) such Notes to the Transfer Agent at its Specified Office and (b) the Transfer Agent will obtain the release of such Notes from the CSD in accordance with the Applicable Procedures.
- 12.1.4 An Individual Certificate shall, in relation to a Beneficial Interest in any number of Notes of a particular aggregate Nominal Amount standing to the account of the holder thereof, represent that number of Notes of that aggregate Nominal Amount, and shall otherwise be in such form as may be agreed between the Issuer and the Transfer Agent; provided that if such aggregate Nominal Amount is equivalent to a fraction of the Specified Denomination or a fraction of any multiple thereof, such Individual Certificate shall be issued in

accordance with, and be governed by, the Applicable Procedures.

12.2 Replacement

If any Individual Certificate is worn out, mutilated, defaced, stolen, destroyed or lost it may be replaced at the Specified Office of the Transfer Agent, on payment by the claimant of such costs and expenses as may be incurred in connection therewith and the provision of such indemnity as the Issuer and the Transfer Agent may reasonably require. Mutilated or defaced Individual Certificates must be surrendered at the Specified Office of the Transfer Agent before replacements will be issued.

12.3 Death and sequestration or liquidation of Noteholder

Any Person becoming entitled to Notes in consequence of the death, sequestration or liquidation of the holder of such Notes may, upon producing evidence to the satisfaction of the Issuer that he holds the position in respect of which he proposes to act under this Condition 12.3 or of his title as the Issuer and the Transfer Agent shall require, be registered himself as the holder of such Notes (where such Notes are Registered Notes) or, subject to the Applicable Procedures, this Condition 12.3 and Condition 14, may transfer such Notes. The Issuer and (if applicable) the CSD and the relevant Participant shall be entitled to retain any amount payable upon the Notes to which any Person is so entitled until such Person shall be registered as aforesaid or shall duly transfer the Notes.

12.4 Costs

The costs and expenses of the printing, issue and delivery of each Individual Certificate and all Taxes and governmental charges or insurance charges that may be imposed in relation to such Individual Certificate and/or the printing, issue and delivery of such Individual Certificate shall be borne by the holder of the Notes represented by that Individual Certificate. Separate costs and expenses relating to the provision of Individual Certificates and/or the transfer of Notes may be levied by other Persons, such as a Participant, under the Applicable Procedures, and such costs and expenses shall not be borne by the Issuer. The costs and expenses of the printing, issue and delivery of Bearer Certificates and Order Certificates, and any Coupons, shall be borne by the Issuer, save as otherwise provided in the Applicable Pricing Supplement.

13. Register

13.1 The Register will be kept at the Specified Office of the Transfer Agent. The Register will reflect the number of Registered Notes issued and outstanding and the serial number of Individual Certificates (if any) issued in respect of Registered Notes. The Register will contain the names, addresses and bank account numbers of the registered Noteholders. The Register will set out the total Nominal Amount of the Registered Notes issued to a Noteholder or the total Outstanding Nominal Amount of Registered Notes transferred to a Noteholder, as the case may be, the Issue Date or the date of transfer, as the case may be, and the date upon which the Noteholder became registered as such.

13.2 The Register will be open for inspection during normal business hours on Business Days by any Noteholder or any Representative of the Noteholder. The Register will be closed during the Books Closed Period.

13.3 The Transfer Agent shall alter the Register in respect of any change of name, address or bank account number of any of the registered Noteholders of which it is notified; provided that the Register will only be amended to reflect a transfer of Registered Notes if such transfer is carried out in accordance with Condition 14.1.

13.4 Neither the Issuer nor the Transfer Agent shall be bound to enter any trust in the Register or to take notice of or to accede to the execution of any trust (express, implied or constructive) to which any Registered Note may be subject.

14. TRANSFER OF NOTES

14.1 Transfer of Registered Notes

14.1.1 *Transfer of Beneficial Interests in Notes held in the CSD*

14.1.1.1 Beneficial Interests may be transferred only in accordance with the Applicable Procedures through the CSD.

14.1.1.2 Transfers of Beneficial Interests to and from clients of Participants occur by way of electronic book entry in the securities accounts maintained by the Participants for their clients, in accordance with the Applicable Procedures.

14.1.1.3 Transfers of Beneficial Interests among Participants occur through electronic book entry in the central securities accounts maintained by the CSD for the Participants, in accordance with the Applicable Procedures.

14.1.1.4 Transfers of Beneficial Interests in Notes will not be recorded in the Register and the CSD's Nominee will continue to be reflected in the Register as the Noteholder of such Notes notwithstanding such transfers.

14.1.2 *Transfer of Notes represented by Individual Certificates*

14.1.2.1 In order for any transfer of Notes represented by an Individual Certificate to be recorded in the Register, and for such transfer to be recognised by the Issuer:

14.1.2.1.1 the transfer of such Notes must be embodied in a Transfer Form;

- 14.1.2.1.2 the Transfer Form must be signed by the registered Noteholder of such Notes and the transferee, or any authorised representatives of that registered Noteholder or transferee;
- 14.1.2.1.3 the Transfer Form must be delivered to the Transfer Agent at its Specified Office together with the Individual Certificate representing such Notes for cancellation.
- 14.1.2.2 Notes represented by an Individual Certificate may only be transferred, in whole or in part, in amounts of not less than the Specified Denomination (or any multiple thereof).
- 14.1.2.3 Subject to this Condition 14.1.2, the Transfer Agent will, within 3 (three) Business Days of receipt by it of a valid Transfer Form (or such longer period as may be required to comply with any Applicable Laws and/or Applicable Procedures), record the transfer of Notes represented by an Individual Certificate (or the relevant portion of such Notes) in the Register, and authenticate and deliver to the transferee at the Transfer Agent's Specified Office or, at the risk of the transferee, send by mail to such address as the transferee may request, a new Individual Certificate in respect of the Notes transferred reflecting the Outstanding Nominal Amount of the Notes transferred.
- 14.1.2.4 Where a Noteholder has transferred a portion only of Notes represented by an Individual Certificate, the Transfer Agent will authenticate and deliver to such Noteholder at the Transfer Agent's Specified Office or, at the risk of such Noteholder, send by mail to such address as such Noteholder may request, at the risk of such Noteholder, a new Individual Certificate representing the balance of the Notes held by such Noteholder.
- 14.1.2.5 The transferor of any Notes represented by an Individual Certificate will be deemed to remain the owner thereof until the transferee is registered in the Register as the holder thereof.
- 14.1.2.6 Before any transfer of Notes represented by an Individual Certificate is registered in the Register, all relevant transfer Taxes (if any) must have been paid by the transferor and/or the transferee and such evidence must be furnished as the Issuer and the Transfer Agent may reasonably require as to the identity and title of the transferor and the transferee.
- 14.1.2.7 No transfer of any Notes represented by an Individual Certificate will be registered during the Books Closed Period.
- 14.1.2.8 If a transfer of any Notes represented by an Individual Certificate is registered in the Register, the Transfer Form and cancelled Individual Certificate will be retained by the Transfer Agent.

14.2 Transfer of Bearer Notes

Bearer Notes may be transferred only by the negotiation of the Bearer Certificate representing and embodying such Bearer Notes (by way of the delivery of such Bearer Certificate), as contemplated in the Bills of Exchange Act.

14.3 Transfer of Order Notes

Order Notes may be transferred only by the negotiation of the Order Certificate representing and embodying such Order Notes (by way of the Endorsement of such Order Certificate by the old Payee and the delivery of such Order Certificate to the new Payee), as contemplated in the Bills of Exchange Act.

14.4 Prohibition on stripping

Where so specified in the Applicable Pricing Supplement, Bearer Certificates or Order Certificates, as the case may be, which are issued with Coupons attached shall be issued subject to the condition that the relevant Bearer Notes or Order Notes, as the case may be, may only be transferred to a single transferee at a time and, accordingly, that the various rights in respect of the relevant Bearer Notes or Order Notes, as the case may be, may not be stripped and transferred to various transferees at different times.

15. PRESCRIPTION

Any claim for payment of any amount in respect of the Notes and the applicable Terms and Conditions will prescribe three years after the date on which such amount first becomes due and payable under the applicable Terms and Conditions, provided that if payment of such amount is required, in accordance with the applicable Terms and Conditions, to be made to the CSD's Nominee, any claim for payment of such amount will prescribe three years after the date on which such amount has been received by the CSD's Nominee.

16. EVENTS OF DEFAULT

- 16.1 An Event of Default in respect of a Series of Notes (and each or any Tranche of Notes in that Series) will occur upon the happening of any of the following events:
 - 16.1.1 (*non-payment*): the Issuer fails to pay any amount of principal or any interest due and payable in respect of any Notes in that Series within 14 (fourteen) days of the due date for payment of such amount; or
 - 16.1.2 (*other obligations*):
 - 16.1.2.1 the Issuer fails to perform any of its other obligations under the applicable Terms and Conditions of any Tranche of Notes in that Series and such failure to perform is incapable of remedy or, if capable of remedy, is not remedied within 21 (twenty one) Business Days after notice requiring such failure to

perform to be remedied has been given to the Issuer (in accordance with Condition 18) by any Noteholder of such Notes; or

- 16.1.2.2 the Guarantor fails to perform any of its obligations under clause 4 (Negative Pledge) of the Guarantee and such failure to perform is incapable of remedy or, if capable of remedy, is not remedied within 21 (twenty one) Business Days after notice requiring such failure to perform to be remedied has been given to the Guarantor (in accordance with the Guarantee) by any Noteholder of such Notes;

16.1.3 *(cross default):*

the Issuer fails to pay any amount under any Financial Indebtedness which, individually or in the aggregate at any point in time, exceeds US\$50 000 000 (or its equivalent in any other currency or currencies) (i) when due or within any applicable grace period as originally provided or, if payable on demand, when demanded or (ii) which becomes due and repayable before its scheduled due date for payment by reason of a default or event of default (howsoever described); or

16.1.4 *(winding-up):*

- 16.1.4.1 (a) an application (other than a frivolous or vexatious application or an application which is discharged or stayed within 21 (twenty one) Business Days) to any court of competent jurisdiction or an order is made for the winding-up of the Issuer or (b) a resolution is passed providing for the Issuer to be wound-up, other than, in each of (a) and (b) for purposes of a solvent reconstruction or amalgamation in which the Issuer remains the debtor under the Notes; or

- 16.1.4.2 an application (other than a frivolous or vexatious application or an application which is discharged or stayed within 21 (twenty one) Business Days) or an order is made for the winding-up of the Guarantor or a resolution is passed for the winding-up of the Guarantor other than for the purposes of a solvent reconstruction or amalgamation provided that Noteholders have the benefit of the same (or equivalent) Guarantee from the Guarantor (or its successor); or

16.1.5 *(receiver):*

- 16.1.5.1 a receiver, receiver and manager, administrator, liquidator, official manager, trustee or similar officer is appointed in respect of all or any part of the assets of the Guarantor and such appointment is not terminated within 21 (twenty one) Business Days; or

- 16.1.5.2 a receiver, receiver and manager, administrator, liquidator, official manager, trustee or similar officer is appointed in respect of all or any part of the assets of the Issuer and such appointment is not terminated within 21 (twenty one) Business Days; or

16.1.6 *(insolvency):*

- 16.1.6.1 the Issuer is unable to pay its debts when they fall due or is deemed to be unable to pay its debts under any Applicable Laws (other than as the result of a failure to pay a debt or claim which is the subject of a good faith dispute); or

- 16.1.6.2 the Guarantor is unable to pay its debts when they fall due or is deemed unable to pay its debts under any applicable legislation (other than as the result of a failure to pay a debt or claim which is the subject of a good faith dispute); or

16.1.7 *(arrangement or composition):*

- 16.1.7.1 the Issuer (a) compromises or attempts to compromise with its creditors generally (or any significant class of creditors) in respect of the payment of any Financial Indebtedness or (b) any procedural step is taken by the Issuer (including an application, a proposal or a convening of a meeting) with a view to a compromise or arrangement with its creditors generally (or any significant class of its creditors) in respect of the payment of any Financial Indebtedness, other than, in each of (a) and (b) for purposes of a solvent reconstruction or amalgamation; or

- 16.1.7.2 the Guarantor makes or enters into (a) a readjustment or rescheduling of its indebtedness with creditors generally or (b) an assignment for the benefit of, or an arrangement or composition with, its creditors generally, in each case, other than for the purposes of a reconstruction, amalgamation, reorganisation or merger where the Guarantor is solvent; or

16.1.8 *(cessation of business):*

- 16.1.8.1 the Issuer ceases or threatens to cease to carry on its business or ceases or threatens to cease payment of its debts generally; or

- 16.1.8.2 the Guarantor ceases or threatens to cease to carry on its business or ceases or threatens to cease payment of its debts generally; or

16.1.9 *(illegality):*

- 16.1.9.1 it is or will become unlawful for the Issuer to perform or to comply with any of its obligations under the applicable Terms and Conditions of any Tranche of Notes in that Series; or

- 16.1.9.2 it is or it will become unlawful for the Guarantor to perform or to comply with any of its obligations under the Guarantee.

- 16.2 The Issuer, upon becoming aware that any Event of Default has occurred and is continuing, shall forthwith give notice thereof in writing to the Guarantor, the Paying Agent, the Calculation Agent and the Transfer Agent (unless the Issuer itself acts as Paying Agent and/or Calculation Agent and/or Transfer Agent), the Noteholders in that Series (in accordance with Condition 18) and, if any Notes are listed on the Interest Rate Market of the JSE, to the JSE and the CSD.
- 16.3 If any Event of Default occurs then, by notice to the Issuer in accordance with Condition 18 (effective upon the date of receipt thereof by the Issuer):
- 16.3.1 in the case of an Event of Default specified in Condition 16.1.1 or any of Conditions 16.1.4 to 16.1.8 inclusive, any Noteholder in that Series may declare that all of the Notes in that Series held by that Noteholder are immediately due and payable (whether or not due for payment) and, upon such notice being given to the Issuer, all of the Notes in that Series held by that Noteholder shall become immediately due and payable, at the Early Termination Amount together with interest accrued thereon, without further action or formality; or
- 16.3.2 in the case of any Event of Default, Noteholders holding not less than 25% of the aggregate Outstanding Nominal Amount of all of the Notes in that Series may declare that all of the Notes in that Series are immediately due and payable (whether or not due for payment) and, upon such notice being given to the Issuer, all of the Notes in that Series shall become immediately due and payable, at the Early Termination Amount together with interest accrued thereon, without further action or formality.
- 16.4 For the purposes of calculating the South African Rand equivalent of the amount of any Financial Indebtedness which is in a currency other than South African Rand, the South African Rand equivalent of the amount of that Financial Indebtedness shall be determined on the basis of the spot rate for the sale of South African Rand against the purchase of the currency of that Financial Indebtedness in the Johannesburg inter-bank foreign exchange market, as quoted by any Reference Bank selected by the Issuer.

17. CALCULATION AGENT, PAYING AGENT AND TRANSFER AGENT

- 17.1 Any third party appointed by the Issuer as Calculation Agent and/or Paying Agent and/or Transfer Agent shall act solely as the agent of the Issuer and does not assume any obligation towards or relationship of agency or trust for or with any Noteholders. The Issuer is entitled to vary or terminate the appointment of the Transfer Agent and/or the Calculation Agent and/or the Paying Agent in accordance with the Agency Agreement and/or to appoint additional or other agents.
- 17.2 If the Issuer elects to appoint another entity (not being the Issuer) as Calculation Agent and/or Paying Agent and/or Transfer Agent, that other entity, on execution of an appropriate Agency Agreement or an appropriate accession letter to the Agency Agreement, as the case may be, shall serve in that capacity in respect of the Notes. The Issuer shall notify the Noteholders (in the manner set out in Condition 18) of any such appointment and, if any Notes are listed on the Interest Rate Market of the JSE, the Issuer shall notify the JSE of any such appointment.
- 17.3 If and to the extent that the Issuer acts as Calculation Agent and/or Paying Agent and/or Transfer Agent:
- 17.3.1 all references in the applicable Terms and Conditions to any action, conduct or function in such role shall be understood to mean that the Issuer shall perform such action, conduct or function itself; and
- 17.3.2 all requirements in the applicable Terms and Conditions for consultation, indemnification by or of, payment by or to, delivery by or to, notice by or to, consent by or to or agreement between the Issuer and the Calculation Agent and/or the Paying Agent and/or the Transfer Agent shall be disregarded to the extent that the Issuer performs such role.

18. NOTICES

18.1 Notice to Noteholders

- 18.1.1 All Notices to the Noteholders of Registered Notes shall be in writing and shall:
- 18.1.1.1 be sent by registered mail to the respective postal addresses appearing in the Register or delivered by hand to the respective addresses of Noteholders appearing in the Register; and
- 18.1.1.2 be published in an English language daily newspaper of general circulation in South Africa; and
- 18.1.1.3 for so long as the Notes are listed on the Interest Rate Market of the JSE, be published in a daily newspaper of general circulation in Johannesburg or on any electronic news service of general distribution.
- 18.1.2 Subject to Condition 18.1.3, a notice given to Noteholders in terms of Condition 18.1.1 shall be deemed to have been received by the Noteholders on the date on which that notice is first published in the daily newspaper of general circulation in South Africa contemplated in Condition 18.1.1.2.
- 18.1.3 Notwithstanding the provisions of Condition 18.1.1, for so long as all of the Notes in a Tranche of Notes are held in their entirety in the CSD, there may be substituted for the notice contemplated in Condition 18.1.1 the delivery by hand of the relevant notice to the CSD's Nominee (as the registered holder of such Notes), the JSE and the Participants, for communication by the CSD's Nominee and the Participants to the holders of Beneficial Interests in such Notes in accordance with the Applicable Procedures. Each such notice will be

deemed to have been received by the holders of Beneficial Interests on the day of such delivery by hand to the CSD's Nominee.

- 18.1.4 Notices to Noteholders of Bearer Notes and Noteholders of Order Notes shall be published in an English language daily newspaper of general circulation in South Africa, and such notice shall be deemed to have been received by such Noteholders on the date on which that notice is published in such newspaper.
- 18.1.5 In addition to the applicable notice requirements set out in this Condition 18.1 above, all notices of meetings of all of the Noteholders or the relevant Group (or Groups) of Noteholders (as applicable) shall be published on SENS.

18.2 Notice by Noteholders

- 18.2.1 All notices to be given by any holder of Registered Note(s) represented by an Individual Certificate or Bearer Notes or Order Notes, as the case may be, to the Issuer shall be in writing and given by delivering the notice, by hand or by registered post, together with a certified copy of the relevant Individual Certificate or the relevant Bearer Certificate or the relevant Order Certificate, as the case may be, to the Specified Office of the Issuer. Each such notice shall be deemed to have been received by the Issuer, if delivered to the Specified Office of the Issuer, on the date of delivery and, if sent by registered mail, on the seventh day after the day on which it is sent.
- 18.2.2 All notices to be given by any holder of a Beneficial Interest in Notes to the Issuer shall be in writing and given by such holder via such holder's Participant, in accordance with the Applicable Procedures, and in such manner as the Issuer and the relevant Participant may approve for this purpose.

19. AMENDMENT

- 19.1 The Issuer may effect, without the consent of any Noteholder, any amendment to the Terms and Conditions (or the applicable Terms and Conditions) that is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of the law of South Africa (including, without limitation, the Applicable Procedures), subject (where required) to the approval of the JSE.
- 19.2 Save as is provided in Condition 19.1, no amendment to the Terms and Conditions (or the applicable Terms and Conditions) may be effected unless (i) such amendment complies with the applicable provisions of the JSE Debt Listings Requirements, (ii) such amendment is in writing and signed by or on behalf of the Issuer and (iii):
 - 19.2.1 if such amendment is an amendment to any of the Terms and Conditions which are applicable to all of the Noteholders, such amendment is (i) approved by an Extraordinary Resolution of all of the Noteholders or (ii) is signed by or on behalf of Noteholders holding not less than 75% of the aggregate Outstanding Nominal Amount of all of the Notes, as the case may be;
 - 19.2.2 if such amendment is an amendment to any of the Terms and Conditions (or the applicable Terms and Conditions) which are applicable to a particular Group of Noteholders (or Groups of Noteholders), such amendment is (i) approved by an Extraordinary Resolution of that Group of Noteholders (or those Groups of Noteholders) or (ii) is signed by or on behalf of Noteholders in that Group of Noteholders (or those Groups of Noteholders) holding not less than 75% of the aggregate Outstanding Nominal Amount of all of the Notes in that Group of Noteholders (or those Groups of Noteholders), as the case may be.
- 19.3 Any amendment to the Terms and Conditions (or the applicable Terms and Conditions) effected in terms of this Condition 19 shall be binding on (as applicable) all of the Noteholders or the relevant Group of Noteholders or the relevant Groups of Noteholders, and any such amendment shall be communicated to such Noteholders in accordance with Condition 18 as soon as is practicable thereafter. Failure to give, or non-receipt of, such communication will not affect the validity of any such amendment.

20. MEETINGS OF NOTEHOLDERS

20.1 Directions of Noteholders

- 20.1.1 The provisions with regard to meetings of Noteholders are set out in this Condition 20. The provisions of this Condition 20 will apply, *mutatis mutandis*, to each separate meeting of all of the Noteholders or the relevant Group/s of Noteholders (as applicable).
- 20.1.2 Every director or duly appointed representative of the Issuer and every other person authorised in writing by the Issuer may attend and speak at a meeting of Noteholders, but shall not be entitled to vote, other than as a Noteholder or proxy or duly authorised representative of a Noteholder.
- 20.1.3 A meeting of Noteholders will have power, in addition to all powers specifically conferred elsewhere in the Terms and Conditions:
 - 20.1.3.1 by Ordinary Resolution of all of the Noteholders, to give instructions to the Issuer in respect of any matter not covered by the Terms and Conditions (but without derogating from the powers or discretions expressly conferred upon the Issuer by the Terms and Conditions or imposing obligations on the Issuer not imposed or contemplated by the Terms and Conditions or otherwise conflicting with or inconsistent with the provisions of the Terms and Conditions);
 - 20.1.3.2 by Extraordinary Resolution of all of the Noteholders, to bind all of the Noteholders to any compromise or arrangement;

20.1.3.3 by Extraordinary Resolution of all of the Noteholders or the relevant Group of Noteholders (or the relevant Groups of Noteholders) (as applicable), to agree to any amendment of any of the Terms and Conditions (or the applicable Terms and Conditions), subject to and in accordance with Condition 19.

20.1.4 Unless otherwise specified in the Terms and Conditions (and subject to Condition 20.1.3), resolutions of all of the Noteholders or the Noteholders or the relevant Group of Noteholders (or the relevant Groups of Noteholders) (as applicable) will require an Ordinary Resolution to be passed.

20.2 Convening of meetings

20.2.1 The Issuer may at any time convene a meeting of all of the Noteholders or separate meetings of any Group of Noteholders (or Groups of Noteholders) (as applicable) (a **meeting** or the **meeting**).

20.2.2 The Issuer will convene a meeting of all of the Noteholders upon the requisition in writing of Noteholders holding not less than 15% of the aggregate Nominal Amount of all of the Notes for the time being outstanding. The Issuer will convene a separate meeting of any Group of Noteholders (or Groups of Noteholders) (as applicable) upon the requisition in writing of Noteholders in that Group of Noteholders (or those Groups of Noteholders) holding not less than 15% of the aggregate Nominal Amount of the Notes in that Group of Noteholders (or those Groups of Noteholders) for the time being outstanding (each such requisition, a **requisition notice**).

20.2.3 A requisition notice will state the nature of the business for which the meeting is to be held, the resolutions to be proposed and considered at the meeting and the place at which the meeting is to be held, and will be deposited at the Specified Office of the Issuer. A requisition notice may consist of several documents in like form, each signed by one or more requisitionists.

20.3 Convening of meetings by requisitionists

If the Issuer fails to convene a meeting within 10 (ten) days of the deposit of a requisition notice, the requisitionists may themselves convene the meeting, but the meeting so convened will be held within 30 (thirty) days from the date of such deposit and will be convened as nearly as possible in the same manner as that in which meetings may be convened by the Issuer. Whenever the requisitionists are about to so convene any such meeting, the requisitionists shall forthwith give notice of the meeting to the Issuer and to all of the Noteholders or the relevant Group of Noteholders (or the relevant Groups of Noteholders) (as applicable), in accordance with Condition 20.4.

20.4 Notice of meeting

Whenever the Issuer wishes (or is required) to convene a meeting of all of the Noteholders or any Group of Noteholders (or Groups of Noteholders) (as applicable), it will forthwith give at least 21 (twenty one) days' prior written notice (exclusive of the day on which the notice is given and of the day on which the meeting is held) to all of the Noteholders or Noteholders in the relevant Group of Noteholders (or the relevant Groups of Noteholders) (as applicable) in accordance with Condition 18 (subject, in particular, to Condition 18.1(5)) of the date, place and time of the meeting, the nature of the business to be transacted at the meeting and the resolutions to be proposed and considered at the meeting; provided that, the holders of Notes of at least 90% of the aggregate Nominal Amount of all of the Notes for the time being outstanding or the Notes in the relevant Group of Noteholders (or the relevant Groups of Noteholders) for the time being outstanding (as applicable), may agree in writing to a shorter notice period.

20.5 Place of meeting

Unless otherwise specified in the relevant notice, all meetings will be held in Johannesburg.

20.6 Quorum

20.6.1 A quorum at a meeting shall:

20.6.1.1 for the purposes of considering an Ordinary Resolution, consist of Noteholders, present in person or by proxy, holding in the aggregate not less than 34% of the aggregate Nominal Amount of all of the Notes for the time being outstanding or the Notes in the relevant Group of Noteholders (or the relevant Groups of Noteholders) for the time being outstanding (as applicable);

20.6.1.2 for the purposes of considering an Extraordinary Resolution, consist of Noteholders, present in person or by proxy, holding in the aggregate not less than 66.67% of the aggregate Nominal Amount of all of the Notes for the time being outstanding or the Notes in the relevant Group of Noteholders (or the relevant Groups of Noteholders) for the time being outstanding (as applicable).

20.6.2 No business will be transacted at a meeting unless a quorum is present at the time when the meeting proceeds to business.

20.6.3 If, within 30 (thirty) minutes from the time appointed for the meeting, a quorum is not present, the meeting will, if it was convened upon the requisition of the relevant Noteholders, be dissolved. In every other case the meeting will stand adjourned (unless the Issuer agrees that it be dissolved) to the same day in the second week thereafter, at the same time and place, or if that day is not a Business Day, the next succeeding Business Day. If at such adjourned meeting a quorum is not present the relevant Noteholders present in person or by proxy at such adjourned meeting will constitute a quorum for the purpose of considering any resolution, including an Ordinary Resolution and an Extraordinary Resolution.

20.7 Chairman

The Issuer or its representative will preside as chairman at a meeting. If the aforesaid person is not present within 15 (fifteen) minutes of the time appointed for the holding of the meeting, the Noteholders then present will choose one of their own number to preside as chairman at that meeting. The procedures to be followed at the meeting shall be as determined by the chairman subject to this Condition 20. The chairman of an adjourned meeting need not be the same person as was chairman of the original meeting.

20.8 Adjournment

- 20.8.1 Subject to the provisions of this Condition 20, the chairman of a meeting may with the consent of (and shall if directed by) the relevant Noteholders then present, adjourn the meeting from time to time and from place to place.
- 20.8.2 At least 10 (ten) days' written notice of any meeting adjourned through want of a quorum will be given in the same manner as of the original meeting and such notice will state that the relevant Noteholders present in person or by proxy at the adjourned meeting will constitute a quorum. Otherwise it shall not be necessary to give notice of an adjourned meeting.
- 20.8.3 No business will be transacted at any adjourned meeting other than the business left unfinished at the original meeting which was adjourned.

20.9 How resolutions are decided

At a meeting, a resolution put to the vote will be decided on a poll. In the case of an equality of votes, the chairman will not be entitled to a casting vote in addition to the vote, if any, to which he is entitled.

20.10 Votes

- 20.10.1 Voting of Noteholders shall only take place on a poll and not on a show of hands. On a poll, each Noteholder present in person or by proxy, will be entitled to that proportion of the total votes which the aggregate Nominal Amount of the Notes held by that Noteholder bears to the aggregate Nominal Amount of all of the Notes for the time being outstanding or the Notes in the relevant Group of Noteholders (or the relevant Groups of Noteholders) for the time being outstanding (as applicable). The CSD's Nominee, as the registered Noteholder of each Tranche of Notes which is held in the CSD, will vote at any meeting of all of the Noteholders or the Noteholders in the relevant Group of Noteholders (or the relevant Groups of Noteholders) (as applicable) on behalf of the holders of Beneficial Interests, in accordance with the instructions to the CSD's Nominee from such holders conveyed through the Participants in accordance with the Applicable Procedures.
- 20.10.2 The Issuer shall not have any voting rights in respect of any Notes held by it.

20.11 Proxies and representatives

- 20.11.1 Noteholders present at a meeting either in person or by proxy may vote on a poll. A Noteholder may by an instrument in writing (a **form of proxy**) signed by that Noteholder or, in the case of a juristic person, signed on its behalf by a duly authorised officer of the juristic person, appoint any person (a **proxy**) to act on his or its behalf in connection with any meeting or proposed meeting.
- 20.11.2 A person appointed to act as proxy need not be a Noteholder.
- 20.11.3 The proxy form will be deposited at the Specified Office of the Issuer not less than 24 (twenty four) hours before the time appointed for holding the meeting or adjourned meeting at which the person named in such proxy proposes to vote.
- 20.11.4 No proxy form will be valid after the expiration of 6 (six) months from the date named in it as the date of its execution.
- 20.11.5 Notwithstanding Condition 20.11.4, a proxy form will be valid for any adjourned meeting, unless the contrary is stated thereon.
- 20.11.6 A vote given in accordance with the terms of a proxy form will be valid notwithstanding the previous death or incapacity of the principal or revocation or amendment of the proxy form or of any of the instructions of the Noteholder pursuant to which the proxy form was executed or of the authority under which the proxy form was executed or the transfer of the relevant Notes in respect of which the proxy was given, provided that no intimation in writing of such death, incapacity, revocation or amendment shall have been received by the Issuer at its Specified Office more than, and that the transfer has been given effect to less than, 12 (twelve) hours before the commencement of the meeting or adjourned meeting at which the proxy is to be used.
- 20.11.7 Any Noteholder which is a juristic person may, by resolution of its directors or other governing body, authorise any person to act as its representative in connection with any meeting or proposed meeting. Any reference in the Terms and Conditions to a Noteholder present at a meeting in person includes the duly authorised representative of a Noteholder which is a juristic person.

20.12 Binding effect of resolutions

A resolution passed at a meeting of all of the Noteholders or any Group of Noteholders (or Groups of Noteholders) (as applicable) duly convened and held in accordance with the provisions of this Condition 20 is

present on all of the Noteholders or all of Noteholders in that Group of Noteholders (or those Groups of Noteholders) (as applicable), whether present or not present at such meeting, and each of such Noteholders shall be bound to give effect thereto accordingly. The passing of any such resolution shall be conclusive evidence (unless the contrary is proved) that the circumstances of such resolution justify the passing of it.

20.13 **Signed resolution**

A resolution in writing signed by or on behalf of all of the Noteholders or all of Noteholders in the relevant Group of Noteholders (or the relevant Groups of Noteholders) (as applicable) shall be as valid and effectual as an Extraordinary Resolution passed at a meeting of such Noteholders duly convened and held in accordance with the provisions contained in this Condition 20.

20.14 **Minutes**

The Issuer will cause minutes of all resolutions and proceedings of meetings to be duly entered in books to be provided by the Issuer for that purpose. Any such minutes, if purporting to be signed by the chairman of the meeting at which such resolutions were passed or proceedings held or by the chairman of the next succeeding meeting, will be receivable in evidence without any further proof, and until the contrary is proved, a meeting of all of the Noteholders or the Noteholders in relevant Group of Noteholders or (the relevant Groups of Noteholders) (as applicable) in respect of the proceedings of which minutes have been so made will be deemed to have been duly held and convened and all resolutions passed thereat, or proceedings held, to have been duly passed and held.

21. **FURTHER ISSUES**

The Issuer shall be at liberty from time to time, without the consent of any Noteholder, to create and issue a Tranche of Notes (the **Additional Notes**) having terms and conditions which are identical to any other Tranche of Notes already in issue under the Programme (the **Existing Notes**) (save for their respective Issue Prices, Issue Dates and aggregate Nominal Amounts), so that the Additional Notes (i) are consolidated and form a single series with the Existing Notes and (ii) rank *pari passu* in all respects with the Existing Notes.

22. **SEVERABILITY**

Should any of the applicable Terms and Conditions be, or become, invalid, the validity of the remaining applicable Terms and Conditions shall not be affected in any way.

23. **GOVERNING LAW**

The Programme Memorandum and, subject to Condition 7.2.2, the Notes and the applicable Terms and Conditions, are governed by and shall be construed in accordance with, the laws of South Africa.

USE OF PROCEEDS

The proceeds from the issue of a Tranche of Notes will be applied by the Issuer for its general corporate purposes or as otherwise may be described in the Applicable Pricing Supplement.

TERMS AND CONDITIONS OF THE GUARANTEE

Set out below is an extract from the final form of the Guarantee:

Guarantee Deed Poll

Dated 8 October 2010

By Macquarie Group Limited (ABN 94 122 169 279) ("**Guarantor**")

in relation to the ZAR 5,000,000,000 Debt Instrument Programme ("**Programme**") of Macquarie Securities South Africa (Proprietary) Limited (Registration Number 2006/023546/07) ("**Issuer**")

Deed poll by		
Guarantor	Name	Macquarie Group Limited
	ABN	94 122 169 279
	Address	Level 7, No. 1 Martin Place Sydney NSW 2000
	Telephone	+61 2 8232 3333
	Fax	+61 2 8232 4330
	Attention	Company Secretary
In favour of	Noteholders	
Governing law	New South Wales	
Date of deed poll	See Signing page	
Recitals	A	The Issuer proposes to issue Notes to the Noteholders pursuant to (and on the basis set out in) the Programme Memorandum prepared in respect of the Programme.
	B	The Guarantor has agreed to provide a guarantee in favour of the Noteholders on the terms of this deed poll.

General terms

1. Interpretation
1.1 Definitions

These meanings apply unless the contrary intention appears:

Accountable Taxes means any Taxes imposed by the Commonwealth of Australia or the Republic of South Africa other than those which would not be required to be deducted by the Guarantor if the Noteholder provided the Guarantor with its name, address, registration number, Australian tax file number (if any), Australian Business Number (if any) or similar details or details of any exemption from the requirement to do so.

Applicable Pricing Supplement means, in relation to a Tranche of Notes, the pricing supplement completed and signed by the Issuer in relation to that Tranche of Notes, setting out the additional and/or other terms and conditions which are applicable to that Tranche of Notes, based upon the *pro forma* Applicable Pricing Supplement which is set out in the section of the Programme Memorandum headed "*Pro Forma Applicable Pricing Supplement*".

Applicable Terms and Conditions means, in relation to a Tranche of Notes, the Terms and Conditions as replaced, amended and/or supplemented by the terms and conditions of that Tranche of Notes set out in the Applicable Pricing Supplement.

Bearer means the Person who is the bearer of a Bearer Certificate, as contemplated in the Bills of Exchange Act 1964 of South Africa.

Bearer Certificate means a certificate which is a negotiable instrument and which represents (and embodies) a Bearer Note, as contemplated in the Bills of Exchange Act 1964 of South Africa and, unless the context otherwise requires, the term "*Bearer Certificate*" shall include the Coupons (if any) attached on issue to that certificate.

Bearer Note means a Note payable to the bearer thereof, as contemplated in the Bills of Exchange Act 1964 of South Africa and, unless the context otherwise requires, the term "*Bearer Note*" shall include the rights to payment of interest and/or principal represented by and embodied in the Coupon(s) (if any) attached on issue to

the Bearer Certificate representing and embodying such Bearer Note.

Beneficial Interest has the meaning specified in the Terms and Conditions.

Coupon means an interest coupon representing and embodying the right to an interest payment in respect of an interest bearing Bearer Note or Order Note, as the case may be, and which is attached on issue to the relevant Bearer Certificate or Order Certificate, as the case may be.

Details means the section of this deed poll entitled Details.

Endorsement means an "indorsement" as contemplated in the Bills of Exchange Act 1964 of South Africa.

Extraordinary Resolution means a resolution passed at a duly convened meeting of all of the Noteholders or the relevant Group of Noteholders or the relevant Groups of Noteholders (as applicable), upon a poll, by a majority consisting of not less than three-quarters of the votes cast on such poll.

Group of Noteholders means (as applicable) the holders of the Notes in a Tranche of Notes or the holders of the Notes in more than one Tranche of Notes in a Series of Notes or the holders of Notes in a Series of Notes.

Guarantee means the guarantee given by the Guarantor in clause 3.1(a) ("Guarantee").

Guaranteed Amounts means all amounts owing by the Issuer in respect of the Notes and the applicable Terms and Conditions.

Individual Certificate means the single certificate in definitive registered form without interest coupons representing Notes for which a Beneficial Interest has been exchanged in accordance with the Terms and Conditions.

Issuer means Macquarie Securities South Africa (Proprietary) Limited, a company incorporated under the laws of the Republic of South Africa (registration number 2006/023546/07).

Noteholder means each of:

- a) the holders of Registered Notes (as recorded in the Register);
- b) the Bearers of Bearer Notes; and
- c) the Payees of Order Notes.

Notes means:

- a) Registered Notes;
- b) Bearer Notes; and
- c) Order Notes.

Order Certificate means a certificate which is a negotiable instrument and which represents (and embodies) an Order Note, as contemplated in the Bills of Exchange Act 1964 of South Africa and, unless the context otherwise requires, the term "Order Certificate" shall include the Coupons (if any) attached on issue to that certificate.

Order Note means a Note payable to order, as contemplated in the Bills of Exchange Act 1964 of South Africa and, unless the context otherwise requires, the term "Order Note" shall include the rights to payment of interest and/or principal represented by and embodied in the Coupon(s) (if any) attached on issue to the Order Certificate representing and embodying such Order Note.

Outstanding Nominal Amount means:

- a) in relation to a Note, the Nominal Amount of that Note less that portion of the Nominal Amount of that Note which has been partially redeemed in accordance with the Terms and Conditions; and
- b) in relation to the Programme at any point in time, the aggregate outstanding Nominal Amount of all of the Notes in issue under the Programme at that time.

Payee means the Person reflected as the payee on an Order Certificate or the Person to whom such Order Certificate has been negotiated (by way of delivery and Endorsement), as the case may be, as contemplated in the Bills of Exchange Act 1964 of South Africa.

Person means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of state or other entity, whether or not having separate legal personality.

Programme means the Macquarie Securities South Africa (Proprietary) Limited ZAR5,000,000,000 Debt Instrument Programme under which the Issuer may issue Notes from time to time.

Programme Memorandum means the document so entitled in respect of the Programme dated 8 October 2010 provided that if the Issuer publishes a new Programme Memorandum or a supplement to the Programme Memorandum, as the case may be (as contemplated in the section of that document headed "*Documents Incorporated by Reference*"), references to "*Programme Memorandum*" shall be construed as references to that new Programme Memorandum or the Programme Memorandum as supplemented, as the case may be.

Register means the register of Noteholders maintained by, or on behalf of the Issuer, in accordance with the Terms and Conditions.

Registered Note means a Note issued in registered uncertificated form, registered in the Register in the name of the Noteholder thereof, and transferable in accordance with the Terms and Conditions.

SBSA means The Standard Bank of South Africa Limited, acting through its Corporate and Investment Banking division (Registration Number 1962/000738/06), a public company with limited liability duly incorporated in accordance with the company laws of South Africa.

Series means a Tranche of Notes which, together with any other Tranche(s) of Notes, is expressed in the relevant Applicable Pricing Supplements to form a single series of Notes.

Taxes means taxes, levies, imposts, charges and duties imposed by any authority (including stamp and transaction duties) together with any related interest, penalties, fines and expenses in connection with them, except if imposed on, or calculated having regard to, the net income of the relevant Noteholder.

Terms and Conditions means the terms and conditions of the Notes set out in the section of the Programme Memorandum headed "*Terms and Conditions of the Notes*".

Tranche means those Notes which are identical in all respects (including as to listing) and in respect of which the same Applicable Pricing Supplement applies.

2.2 Interpretation

Unless the contrary intention appears, a reference in this deed poll to:

- a) an agreement, representation or warranty in favour of two or more Persons is for the benefit of them collectively and each of them individually;
- b) anything (including an amount) is a reference to the whole and each part of it;
- c) a document (including this deed poll) includes any variation or replacement of it;
- d) law means common law, principles of equity, and laws made by parliament (and laws made by parliament include State, Territory and Commonwealth laws and regulations and other instruments under them, and consolidations, amendments, re-enactments or replacements of any of them);
- e) a "*directive*" includes a treaty, official directive, request, regulation, guideline or policy (whether or not in any such case having the force of law) with which responsible participants in the relevant market generally comply;
- f) Australian dollars, A\$ or AUD is a reference to the lawful currency of Australia;
- g) Rand or ZAR is a reference to the lawful currency of South Africa;
- h) a particular Person includes a reference to the Person's executors, administrators, successors, substitutes (including Persons taking by novation) and assigns; and
- i) the words "*including*", "*for example*" or "*such as*" when introducing an example, do not limit the meaning of the words to which the example relates to that example or examples of a similar kind.

1.3 Number

The singular includes the plural and *vice versa*.

1.4 Headings

Headings (including those in brackets at the beginning of paragraphs) are for convenience only and do not affect the interpretation of this deed poll.

1.5 Incorporated definitions

A term defined in the Terms and Conditions has the same meaning when used in this deed poll unless it is expressly defined in this deed poll, in which case the meaning in this deed poll prevails.

2. Deed poll

2.1 Benefit

- a) Each Noteholder has the benefit of, and is entitled to enforce, this deed poll even though it is not a party to, or is not in existence at the time of execution and delivery of, this deed poll.
- b) This deed poll is granted for the benefit of each Person who at any time is or becomes a Noteholder.
- c) For the avoidance of doubt, the holder of a Beneficial Interest does not have the benefit of, and is not entitled to enforce, this deed poll.
- d) The Guarantor is not bound to take notice of, or to accede to the execution of any trust, express, implied or constructive, to which any Note may be subject.

2.2 Noteholder's independent rights

Each Noteholder may enforce its rights under this deed poll independently from each other Noteholder.

2.3 Each Noteholder having notice and being bound

The Guarantee and the other undertakings in this deed poll are given subject to and on the basis that each Noteholder is taken to have notice of, and be bound by, all the provisions of this deed poll and the Terms and Conditions.

3. Terms of Guarantee

3.1 Guarantee

- a) The Guarantor unconditionally and irrevocably guarantees to each Noteholder the due and punctual payment by the Issuer of the Guaranteed Amounts as and when the same become due and payable, and accordingly undertakes to pay to such Noteholder within three Business Days of written demand any Guaranteed Amounts which the Issuer is at any time liable to pay in respect of such Notes, and which the Issuer has failed to pay, in the manner and currency prescribed by the Applicable Terms and Conditions for payments by the Issuer in respect of such Notes.
- b) The Guarantor acknowledges that its obligations hereunder are several and independent of the obligations of the Issuer with respect to the Notes and that the Guarantor shall be liable as principal and sole obligor under this deed poll to make the payments undertaken to be made by it pursuant to the Guarantee, notwithstanding the occurrence of any event referred to in clause 3.3 ("Continuing Guarantee").
- c) The Guarantee is a direct unsecured obligation of the Guarantor. The Guarantor's payment obligations under the Guarantee rank at least equally with the claims of its unsecured and unsubordinated creditors, except creditors mandatorily preferred by law.

3.2 Withholding Tax

If a law requires the Guarantor to withhold or deduct an amount in respect of Taxes from a payment in respect of the Notes such that the Noteholder would not actually receive on the due date the full amount of the Guaranteed Amounts, then:

- a) the Guarantor agrees to deduct the amount for the Taxes (and any further withholding or deduction applicable to any additional amount due under paragraph (c) below);
- b) the Guarantor agrees to pay the amount deducted to the relevant authority in accordance with applicable law and give the original receipts to the Noteholder; and
- c) if the amount deducted or withheld is in respect of Accountable Taxes, the amount payable is increased so that, after making the deduction and further deductions applicable to additional amounts payable under this clause, each Noteholder is entitled to receive (at the time the payment is due) the amount it would have received if no deductions or withholdings had been required to be made.

3.3 Continuing Guarantee

The Guarantee is a continuing obligation despite any intervening payment, settlement or other thing and extends to all of the Guaranteed Amounts.

The obligations, covenants, agreements and duties of the Guarantor under the Guarantee and this deed poll shall in no way be affected or impaired by reason of the happening from time to time of any of the following:

- a)
 - (i) any amendment to, or variation of; or
 - (ii) the release or waiver, by operation of law or otherwise, of the performance or observance by the Issuer of,

any express or implied agreement, covenant, term or condition relating to the Notes to be performed or observed by or on behalf of the Issuer;
- b) any failure, omission, delay or lack of diligence on the part of Noteholders to enforce, assert or exercise any right, privilege, power or remedy conferred on the Noteholders pursuant to the Applicable Terms and Conditions, or any action on the part of the Issuer granting indulgence or extension of any kind;
- c) the voluntary or involuntary winding-up, dissolution, amalgamation, reconstruction, sale of any collateral, receivership, insolvency, bankruptcy, assignment for the benefit of creditors, reorganisation, arrangement, composition or readjustment of debt of, or other similar proceedings affecting, the Issuer or any of the assets of the Issuer;
- d) any invalidity of, or defect or deficiency in, the Notes;
- e) the settlement or compromise of any obligation guaranteed hereby or hereby incurred; or
- f) any other act, event or omission which, but for this clause 3.3, may operate to discharge, impair or otherwise affect the obligations of the Guarantor as set out in this deed poll or any of the rights conferred upon any Noteholder by this Guarantee, or by law.

There shall be no obligation on the Noteholders to give notice to, or obtain consent of, the Guarantor with respect to the happening of any of the foregoing.

3.4 Enforcement; Rights of Remedy

- a) A Noteholder may enforce the Guarantee directly against the Guarantor, and the Guarantor waives any

right it has of first requiring a Noteholder to:

- (i) make a demand against the Issuer;
- (ii) commence proceedings against the Issuer;
- (iii) make a claim, or file any proof of debt, in any proceeding described in clause 3.3(c) ("Continuing Guarantee"); or
- (iv) enforce any other right against the Issuer or any other Person or entity,

save for the presentation of the relevant Bearer Certificate, the relevant Order Certificate or, if issued, the Individual Certificate in respect of the relevant Registered Note (and evidence that the Noteholder is the Bearer, Payee or registered holder, as the case may be), before proceeding against the Guarantor in accordance with the terms of this deed poll.

- b) The Guarantor agrees that the Guarantee shall not be discharged except by complete performance of all obligations of the Guarantor under the Guarantee.
- c) The obligations, covenants, agreements and duties of the Guarantor under the Guarantee and this deed poll shall in no way be affected or impaired by reason of any indulgence granted by a Noteholder to the Guarantor or a Noteholder not exercising any rights against the Guarantor which may have arisen in the past.
- d) Where any discharge in respect of the Guaranteed Amount is made in whole or in part or any arrangement is made on the faith of any payment, security or other disposition, which discharge or arrangement is avoided, reduced or must be repaid on winding-up or repaid otherwise without limitation, the liability of the Guarantor under the Guarantee shall continue as if there had been no such discharge.

3.5 Subrogation

The Guarantor shall be subrogated to any and all rights of the Noteholders against the assets of the Issuer in respect of any amounts paid to the Noteholders by the Guarantor under the Guarantee. The Guarantor shall not (except to the extent required by mandatory provisions of law) exercise any rights which it may acquire by way of subrogation or any indemnity, right of reimbursement or other agreement, in any such case as a result of a payment under the Guarantee if, at the time of any such payment, any amounts are due and unpaid under the Guarantee.

4. Negative pledge

So long as any of the Guaranteed Amounts remain outstanding, the Guarantor will not, unless approved by an Extraordinary Resolution, create or permit to subsist any mortgage, charge, pledge, lien or other form of encumbrance or security interest (**Security Interest**) upon the whole or any part of its present or future assets or revenues or those of any of its Subsidiaries (as defined below) as security for any relevant indebtedness (as defined below) or any guarantee or indemnity given in respect of any relevant indebtedness unless prior to or simultaneously therewith, the Guarantor either:

- a) grants or procures to be granted a Security Interest or Security Interests securing its obligations under the Guarantee which will result in such obligations being secured equally and rateably in all respects so as to rank *pari passu* with the applicable relevant indebtedness, guarantee or indemnity; or
- b) grants or procures to be granted such other Security Interest or Security Interests in respect of its obligations under the Guarantee as shall be approved by an Extraordinary Resolution.

For the purposes of this clause 4 ("Negative pledge"):

relevant indebtedness means any present or future indebtedness of the Guarantor in the form of, or represented by, bonds, notes, debentures, loan stock, certificates of deposit, bills of exchange, transferable loan certificates or other securities which are capable of being listed, quoted, ordinarily dealt in or traded on any recognised market, not being indebtedness incurred in the ordinary course of banking business; and

Subsidiary has the same meaning as that provided in Section 9 of the Corporations Act 2001 of Australia.

5. Amendments

5.1 General

The Guarantor is entitled, without any authority or assent on the part of the Noteholders, to amend or to add to this deed poll if such amendment or addition, in the opinion of the Guarantor, acting reasonably:

- a) is of a formal, minor or technical nature; or
- b) is made to correct a manifest error,

provided that no amendment to clause 4 ("Negative pledge") of this deed of poll may be effected pursuant to this clause 5.1 ("General").

5.2 Amendments with approval of Noteholders

In addition, this deed poll may be amended or added to if such amendment or addition is in writing and signed by or on behalf of the Issuer, the Guarantor and is:

- a) approved by an Extraordinary Resolution of all of the Noteholders; or
- b) signed by or on behalf of Noteholders holding not less than 75% of the aggregate Outstanding Nominal Amount of all of the Notes, as the case may be.

6. General

6.1 Supervening legislation

Any present or future legislation which operates to vary the obligations of the Guarantor in connection with this deed poll with the result that the rights, powers or remedies of the Noteholders are adversely affected (including by way of delay or postponement) is excluded except to the extent that its exclusion is prohibited or rendered ineffective by law.

6.2 Copies of the Guarantee

A copy of this deed poll will be deposited with and held by SBSA until the later of:

- a) the date on which the Programme is terminated by the Issuer; and
- b) the date on which all the obligations of the Issuer under or in respect of the Notes have been discharged in full.

Within 14 days of the Guarantor receiving a written request from a Noteholder to do so, the Guarantor:

- (i) must produce, or must procure that SBSA produces, the original of this deed poll for inspection by the Noteholder; or
- (ii) provide to the Noteholder a certified copy of this deed poll.

7. Notices and other communications

7.1 Notices to the Guarantor

All notices and other communications to the Guarantor must be in writing, signed by the sender (if an individual) or an authorised officer of the sender and marked for the attention of the Person identified in the Details or, if the sender has been notified otherwise, then marked for attention in the last way notified.

7.2 Delivery

Communications must be:

- a) left at the address set out or referred to in the Details; or
- b) sent by courier to the address set out or referred to in the Details; or
- c) sent by fax to the fax number set out or referred to in the Details;

However, if the sender has been notified of a changed address or fax number, then communications must be to that address or number.

7.3 When effective

Communications take effect from the time they are received or taken to be received under clause 7.4 ("When taken to be received") (whichever happens first) unless a later time is specified.

7.4 When taken to be received

Communications are taken to be received:

- a) if left at the address set out or referred to in the Details or sent by courier, on the day of delivery; or
- b) if sent by fax, at the time shown in the transmission report as the time that the whole fax was sent.

8. Governing law and service

8.1 Governing law

This deed poll is governed by, and shall be construed in accordance with, the laws in force in New South Wales, Australia.

8.2 Jurisdiction

The Guarantor irrevocably agrees that the courts of New South Wales and the courts of appeal from them are to have jurisdiction to settle any disputes which may arise out of or in connection with this deed poll and that, accordingly, any suit, action or proceedings arising out of or in connection therewith (together referred to as "Proceedings") may be brought in such courts.

The Guarantor irrevocably and unconditionally waives and agrees not to raise any objection which it may have now or subsequently to the laying of the venue of any Proceedings in the courts of New South Wales and courts

of appeal from them and any claim that any Proceedings have been brought in an inconvenient forum and further irrevocably and unconditionally agrees that a final judgment in any Proceedings brought in the courts of New South Wales and courts of appeal from them, shall be conclusive and binding upon the Guarantor and may be enforced in the courts of any other jurisdiction.

Nothing contained in this section shall limit any rights of a Noteholder to take Proceedings against the Guarantor in any other court of competent jurisdiction, nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other competent jurisdiction, whether concurrently or not, to the extent permitted by applicable law.

8.3 Serving documents

Without preventing any other method of service, any document in a court action may be served on a party by being delivered to or left at that party's address for service of notices provided for in clause 7.2 ("Delivery").

EXECUTED as a deed poll.

DESCRIPTION OF MACQUARIE SECURITIES SOUTH AFRICA (PROPRIETARY) LIMITED

Introduction

After collaboration in joint ventures with major South African banks since 1998, from which numerous new derivative products were launched, Macquarie Group made the decision to establish a stand alone entity to offer equity derivative products from the Macquarie Group franchise to South African clients.

The Issuer, Macquarie Securities South Africa (Proprietary) Limited, was incorporated as a limited liability company and registered in South Africa in 2006. The Issuer is directly and wholly-owned by Macquarie EMG Holdings Pty Limited (MEH), a limited liability company in the Commonwealth of Australia having its principal place of business in Sydney, Australia. MEH is indirectly and wholly-owned by MGL.

The registered office of the Issuer is situated at Level 6, The District, 41– 45 Sir Lowry Road, Woodstock Cape Town, 7925, South Africa.

The company secretary of the Issuer is Clive Elliott. The registered office of the company secretary of the Issuer is Level 6, The District, 41– 45 Sir Lowry Road, Woodstock Cape Town, 7925, South Africa.

The telephone number of the Issuer's principal place of business is + 27 21 813 2600.

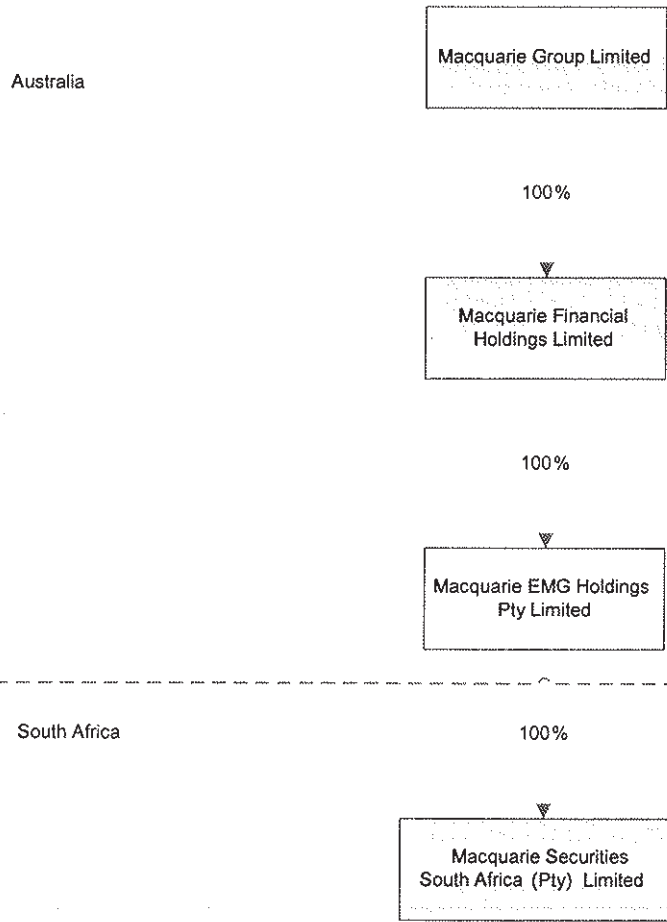
Ownership

The Issuer is indirectly and wholly owned by MGL. The issued share capital of the Issuer comprises 327 100 ordinary shares of R1,00 (par value) each.

The Issuer intends to issue additional preference shares (see "*Recent developments*" below) in the future as part of the Issuer's normal business.

The ownership structure of the Issuer is set out below by shareholding:

Ownership structure



Description of business

The Issuer is licensed as a “financial services provider” under the Financial Advisory and Intermediary Services Act, 2002 and is an “authorised user” under the Securities Services Act (the Issuer is a member of the JSE). The Issuer offers a range of trading and risk management solutions and specialised investment strategies to institutional and corporate clients and intermediaries. The Issuer’s primary offering comprises the provision of equity derivative products over South African listed equity securities. In the ordinary course of its business the Issuer also makes principal investments into listed and unlisted debt and equity securities.

The business is supported by a Capital Management team that oversees the Treasury function of the business and an active securities lending team that ensures efficient utilisation of equity holdings.

The Issuer’s business is further supported by Risk Management, Finance, Information Technology, Settlement Services, Equity Markets Operations, Human Resources Services and Business Services teams, as well as utilising the central Group Treasury team for its funding needs.

Management strategy

The management of the Issuer understands the value of combining local market knowledge and expertise with international experience and support. The Macquarie Group has a highly regarded equity research and broking business that works closely with market making, equity finance and structured finance teams that have well established relationships in South Africa.

The Issuer’s senior executive management roles can be described as follows:

- James Mason – Managing Director and Country Head;
- Graham Crawford – Chief Operations Officer;
- Nicholas Luck – Head of Sales & Trading;
- Clive Elliott – Chief Financial Officer.

Recent developments

In July 2011, the Issuer issued 125 class “A” cumulative redeemable individual preference shares with no par value, redeemable after a 5 year period. In December 2011, the Issuer issued 96 class “B” cumulative redeemable individual preference shares with no par value, redeemable after a 5 year period.

Financial risk management

Risk is an integral part of the Macquarie Group’s businesses. The main risks faced by the Issuer are market, credit, equity, liquidity, operational, compliance, foreign exchange, legal and regulatory risks (see the section of this Programme Memorandum headed “Risk Factors”).

Responsibility for management of these risks lies with the individual businesses giving rise to them. It is the responsibility of the Risk Management Group (RMG) to ensure appropriate assessment and management of these risks on an on-going basis.

RMG is independent of all other areas of the Macquarie Group, reporting directly to the Managing Director and the Board of MGL. The Head of RMG is a member of the Executive Committee of the Guarantor. RMG authority is required for all material risk acceptance decisions. RMG identifies, quantifies and assesses all material risks and sets prudential limits. Where appropriate, these limits are approved by the Executive Committee and the Board.

The risks which the Issuer is exposed to are managed on a globally consolidated basis for MGL as a whole, including all subsidiaries, in all locations. The Macquarie Group’s internal approach to risk ensures that risks in subsidiaries (including the Issuer) are subject to the same rigour and risk acceptance decisions.

Board of directors

As at the Programme Date the members of the board of directors of the Issuer are:

- Nicholas Luck (Executive Director) (*British);
- James Mason - CEO (Executive Director);
- Graham Crawford (Executive Director);
- Clive Elliott (Executive Director);
- Robert Andrew Johnstone (Non-Executive Director).

Corporate governance

The Issuer is committed to the four values underpinning good corporate governance – responsibility, accountability, fairness and transparency, and adheres to the King III Code of Corporate Governance subject (to the best of the knowledge and belief of the Issuer) to the following exceptions:

- The board of directors of the Issuer has not formally elected a chairman of the board of directors who is an independent non-executive director – a chairman is elected at each meeting of the board of directors of the Issuer;

- The board of directors of the Issuer is not comprised of a majority of non-executive directors – the board of directors of the Issuer currently comprises four executive directors and one independent non-executive director; and
- The board of directors of the Issuer has not established an audit committee – the Issuer is subject to internal audits conducted by the Risk Management Group of the Macquarie Group, and external audits are reviewed by the audit committee of the Macquarie Group.

The Issuer will, promptly after becoming aware of any additional exceptions, publish such additional exceptions on SENS.

With respect to the above noted exceptions, the board of directors of the Issuer conducts its affairs in consultation with senior management of the Macquarie Group. Macquarie Group Limited (**MGL**) (which is the Issuer's holding company and the Guarantor) complies with the Corporate Governance Council's Corporate Governance Principles and Recommendations of the Australian Securities Exchange operated by ASX Limited (**ASX**), except to the extent publicly disclosed in any annual report of MGL (see the section of this Programme Memorandum headed "*Description of Macquarie Group Limited*"). See, in addition, MGL's corporate governance statements at <http://www.macquarie.com.au/mgl/au/about-macquarie-group/profile/corporate-governance>.

Further disclosure relating to the Issuer's commitment to corporate governance is set out in the directors' report included in the audited annual financial statements of the Issuer for the financial year ended 31 March 2012, which annual financial statements are incorporated by reference into, and form part of, this Programme Memorandum - see the section of this Programme Memorandum headed "*Documents Incorporated by Reference*".

Financial information

The respective audited annual financial statements of the Issuer for the financial years ended 31 March 2010, 31 March 2011 and 31 March 2012, which include the independent auditor's reports in respect of such financial statements, and the respective audited annual financial statements of the Issuer for all financial years of the Issuer after the Programme Date, which will include the independent auditor's reports in respect of such financial statements, are incorporated by reference into, and form part of, this Programme Memorandum (see the section of this Programme Memorandum headed "*Documents Incorporated by Reference*").

The respective audited annual financial statements of the Issuer for the financial years ended 31 March 2010 and 31 March 2011, which include the independent auditor's reports in respect of such financial statements, are available for inspection, upon request, at the Specified Office of the Debt Sponsor (who will hold such financial statements on behalf of the Issuer).

The respective audited annual financial statements of the Issuer for the financial years ended 31 March 2012 and all financial years of the Issuer after the Programme Date, which will include the independent auditor's reports in respect of such financial statements will, as and when such audited annual financial statements are approved and become available, be available for inspection, upon request, during normal office hours, at the Specified Office of the Debt Sponsor (who will hold such financial statements on behalf of the Issuer).

Auditors

The independent auditors of the Issuer as at the Programme Date are PricewaterhouseCoopers Incorporated. The reports of the auditors of the Issuer are included with the audited annual financial statements of the Issuer referred to under "*Financial information*" above.

DESCRIPTION OF MACQUARIE GROUP LIMITED

Information about Macquarie Group Limited

Macquarie Group Limited (**MGL** and the **Guarantor**) is the ultimate holding company for all other companies and entities within the Macquarie Group. As at the Programme Date, MGL is not a subsidiary of, nor controlled by, any other company.

MGL (ABN 94 122 169 279) was incorporated on 12 October 2006 with limited liability for an unlimited duration. It is incorporated in the Commonwealth of Australia, registered in Victoria and is regulated by the Australian Corporations Act.

The registered office of MGL is at Level 7, No. 1 Martin Place, Sydney 2000, New South Wales, Australia. MGL's principal place of business is Level 7, No. 1 Martin Place, Sydney 2000, New South Wales, Australia. The telephone number of MGL's principal place of business is + 61 2 8232 3333.

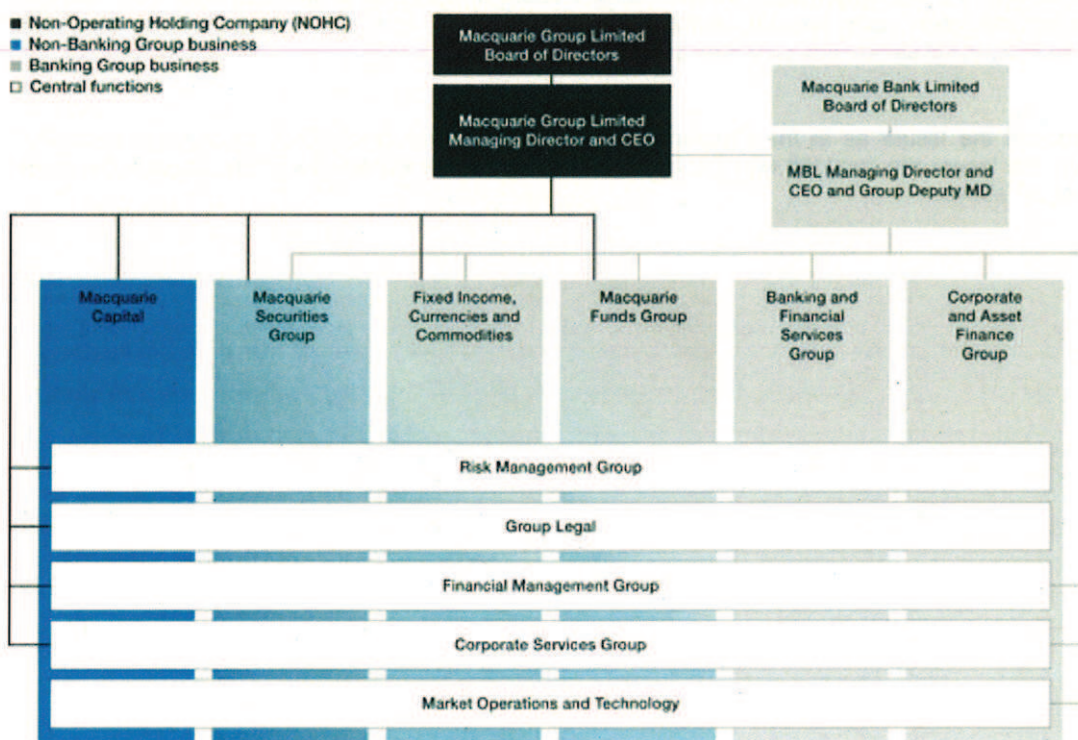
MGL complies with the Corporate Governance Council's Corporate Governance Principles and Recommendations of the Australian Securities Exchange operated by ASX Limited (**ASX**), except to the extent publicly disclosed in any annual report of MGL.

MGL is an ASX-listed diversified financial services holding company headquartered in Sydney, Australia and regulated as a non-operating holding company of an Australian authorised deposit taking institution (**ADI**) by the Australian Prudential Regulation Authority (**APRA**), the prudential regulator of the Australian financial services industry. As a provider of banking, financial, advisory, investment and funds management services, MGL is a client-driven business which generates income by providing a diversified range of services to clients. MGL acts on behalf of institutional, corporate and retail clients and counterparties around the world.

The Macquarie Group's operations are conducted primarily through two groups – the **Banking Group**, consisting of Macquarie Bank Limited and its controlled entities and the **Non-Banking Group**, consisting of Macquarie Capital, the Cash division of the Macquarie Securities, the Macquarie Infrastructure and Real Assets division of Macquarie Funds and certain less financially significant assets and businesses of Fixed Income, Currencies and Commodities operating groups. Further details of the Banking Group and the Non-Banking Group are provided below.

Organisational structure

The Macquarie Group's organisation structure is as follows:



MBL and MGL have corporate governance and policy frameworks which meet APRA's requirements for Australian ADIs and non-operating holding companies of ADIs, respectively. The Banking Group and the Non-Banking Group operate as separate sub-groups within MGL with clearly identifiable businesses, separate capital requirements and discrete funding programmes. Although the Banking Group and the Non-Banking Group operate as separate sub-groups both are integral

to the Macquarie Group's identity and strategy as they assist the Macquarie Group in continuing to pursue value adding and diversified business opportunities while meeting APRA requirements.

Business overview

The following describes the Banking and Non-Banking Group's operations:

Overview of Banking Group

MBL is headquartered in Sydney, Australia and is an Australian ADI regulated by APRA that, directly and through subsidiaries, engages in Australian and international financial services businesses.

MBL began in 1969 as the merchant bank Hill Samuel Australia Limited, a wholly owned subsidiary of Hill Samuel & Co. Limited, London. Authority for MBL to conduct banking business in Australia was received from the Australian Federal Treasurer on 28 February, 1985.

MBL's ordinary shares were listed on ASX on 29 July, 1996 until the corporate restructuring of the Macquarie Group in November 2007. As part of the restructure MBL became an indirect subsidiary of MGL. Although MBL's ordinary shares are no longer listed on ASX, MBL's Macquarie Income Securities continue to be listed on ASX and accordingly, MBL remains subject to the disclosure and other requirements of ASX as they apply to ASX Debt Listings.

The Banking Group currently conducts business predominantly through the following operating groups:

- Fixed Income, Currencies and Commodities;
- Banking and Financial Services;
- Macquarie Securities (excluding the Cash division);
- Macquarie Funds (excluding the Macquarie Infrastructure and Real Assets division); and
- Corporate and Asset Finance.

Overview of Non-Banking Group

The following operating group, divisions and activities form the Non-Banking Group:

- Macquarie Capital;
- The Cash division of Macquarie Securities;
- The Macquarie Infrastructure and Real Assets division of Macquarie Funds; and
- Certain less financially significant assets and businesses of the Fixed Income, Currencies and Commodities operating group.

Macquarie Capital includes the Macquarie Group's corporate advisory, equity underwriting, debt structuring and distribution businesses, private equity placements and principal investments.

Shared services

The Banking Group and the Non-Banking Group are supported by a number of specialist areas in MGL. These shared services are provided under outsourcing arrangements with various subsidiaries of MGL, pursuant to services agreements and include: Risk management; Finance; Information technology; Macquarie Group treasury; Settlement services; Equity markets operations; Human resources services; Business services; Company secretarial services; Corporate communications and investor relations services; Taxation services; Business improvement and strategy services; Central executive services; Other group-wide services; Business shared services; and Other services as may be agreed upon from time to time.

Financial information and additional information

MGL is required to prepare consolidated financial statements for itself and the Macquarie Group in accordance with Australian Accounting Standards. Compliance with Australian Accounting Standards ensures compliance with International Financial Reporting Standards.

The auditors of the Macquarie Group are PricewaterhouseCoopers, being an Australian partnership whose partners are members or affiliate members of The Institute of Chartered Accountants in Australia (**PwC Australia**).

The (i) respective annual reports of MGL for the financial years ended 31 March 2009, 31 March 2010 and 31 March 2011, which include the audited consolidated annual financial statements of MGL for such financial years and the independent auditor's reports in respect of such financial statements, and (ii) the consolidated interim financial report of MGL for the 6-month period ended 30 September 2011, are incorporated by reference into this Programme Memorandum (see the section of this Programme Memorandum headed "*Documents Incorporated by Reference*"). The aforementioned annual reports and interim financial report are available for inspection, upon request, during normal office hours, at the Specified Office of the Debt Sponsor (who will hold such annual reports and interim financial report on behalf of the Issuer). In addition, such annual reports and interim financial report are available on MGL's website at www.macquarie.com.au.

The (i) respective annual reports of MGL for all financial years of MGL after the Programme Date, which will include the audited consolidated annual financial statements of MGL for such financial years and the independent auditor's reports in

respect of such financial statements and (ii) all subsequent consolidated interim financial reports of MGL, are incorporated by reference into this Programme Memorandum (see the section of this Programme Memorandum headed "*Documents Incorporated by Reference*"). These annual reports and interim financial reports will, as and when the relevant annual reports and interim financial reports are approved and become available, be available for inspection, upon request, during normal office hours, at the Specified Office of the Debt Sponsor (who will hold such annual reports and interim financial reports on behalf of the Issuer). In addition, such annual reports and interim financial reports will (as and when the relevant annual reports and interim financial reports are approved and become available) be available on MGL's website at www.macquarie.com.au.

All information which relates to the ratings, financial performance or future financial results of MGL released by MGL to ASX in compliance with the continuous disclosure requirements of the Australian Corporations Act (which information is incorporated by reference into this Programme Memorandum (see the section of this Programme Memorandum headed "*Documents Incorporated by Reference*") will (as and when the relevant information becomes available) be available on the ASX's website at www.asx.com.au (MGL's ASX code is "MQG").

Limitation on auditors' liability

PwC Australia may be able to assert a limitation of liability with respect to claims arising out of its audit report described or included in the documents identified under "*Documents Incorporated by Reference*" on page 6 of this Programme Memorandum, and elsewhere in this Programme Memorandum, to the extent it is subject to the limitations set forth in the Professional Standards Act 1994 of New South Wales, Australia (**Professional Standards Act**) and the Institute of Chartered Accountants in Australia (NSW) Scheme adopted by The Institute of Chartered Accountants in Australia and approved by the New South Wales Professional Standards Council pursuant to the Professional Standards Act (together, the **NSW Accountants Scheme**) (or, in relation to matters occurring prior to 7 October 2007, the predecessor scheme).

The Professional Standards Act and the NSW Accountants Scheme may limit the liability of PwC Australia for damages with respect to certain civil claims arising in, or governed by the laws of, New South Wales directly or vicariously from anything done or omitted in the performance of its professional services to the Group, including, without limitation, its audits of the Group's financial statements, to the lesser of ten times the reasonable charge for the service by PwC Australia that gave rise to the claim and a maximum of A\$75 million and for other work of A\$20 million (or in relation to matters occurring prior to 7 October 2007, A\$20 million). The limit does not apply to claims for breach of trust, fraud or dishonesty. The Professional Standards Act and the NSW Accountants Scheme have not been subject to judicial consideration and therefore how the limitation will be applied by the courts and the effect of the limitation on the enforcement of foreign judgments are untested.

There is also legislation similar to the Professional Standards Act in the other states and territories of Australia and federally. Schemes similar to the NSW Accountants Scheme have been implemented in other states and territories of Australia and in relation to various civil claims under federal Australian law.

SETTLEMENT, CLEARING AND TRANSFERS OF REGISTERED NOTES

Notes listed on the Interest Rate Market of the JSE and unlisted Notes

Each Tranche of Notes which is listed on the Interest Rate Market of the JSE and each Tranche of unlisted Notes will be issued in registered uncertificated form, in terms of section 37 of the Securities Services Act, and will be held in the CSD.

Clearing systems

The CSD has, as the operator of an electronic clearing system, been appointed by the JSE to match, clear and facilitate the settlement of transactions concluded on the Interest Rate Market of the JSE. Each Tranche of Notes which is held in the CSD will be issued, cleared and transferred in accordance with the Applicable Procedures through the electronic settlement system of the CSD. Such Notes will be settled through Participants who will comply with the electronic settlement procedures prescribed by the JSE and the CSD. Registered Notes may be accepted for clearance through any additional clearing system as may be agreed between the JSE, the Issuer and the Dealer(s).

Participants

The CSD maintains central securities accounts only for Participants. As at the Programme Date, the Participants are Absa Bank Limited, FirstRand Bank Limited, Nedbank Limited, The Standard Bank of South Africa Limited and the South African Reserve Bank. Euroclear and Clearstream Banking will settle off-shore transfers in the Notes through their Participants.

Settlement and clearing

Participants will be responsible for the settlement of scrip and payment transfers through the CSD, the Interest Rate Market of the JSE and the South African Reserve Bank.

While a Tranche of Notes is held in its entirety in the CSD, the CSD's Nominee will be named in the Register as the sole Noteholder of the Notes in that Tranche. All amounts to be paid and all rights to be exercised in respect of Notes held in the CSD will be paid to and may be exercised only by the CSD's Nominee for the holders of Beneficial Interests in such Notes.

In relation to each person shown in the records of the CSD or the relevant Participant, as the case may be, as the holder of a Beneficial Interest in a particular Nominal Amount of Notes, a certificate or other document issued by the CSD or the relevant Participant, as the case may be, as to the Nominal Amount of such Notes standing to the account of such person shall be *prima facie* proof of such Beneficial Interest. The CSD's Nominee (as the registered Noteholder of such Notes named in the Register) will be treated by the Issuer, the Paying Agent, the Transfer Agent and the relevant Participant as the holder of that aggregate Nominal Amount of such Notes for all purposes.

Payments of all amounts in respect of a Tranche of Notes which is held in the CSD will be made to the CSD's Nominee, as the registered Noteholder of such Notes, which in turn will transfer such funds, via the Participants, to the holders of Beneficial Interests. Each of the persons reflected in the records of the CSD or the relevant Participant, as the case may be, as the holders of Beneficial Interests in Notes shall look solely to the CSD or the relevant Participant, as the case may be, for such person's share of each payment so made by (or on behalf of) the Issuer to, or for the order of, the CSD's Nominee, as the registered Noteholder of such Notes.

Payments of all amounts due and payable in respect of Beneficial Interests in Notes will be recorded by the CSD's Nominee, as the registered Noteholder of such Notes, distinguishing between interest and principal, and such record of payments by the CSD's Nominee, as the registered Noteholder of such Notes, shall be *prima facie* proof of such payments.

Transfers and exchanges

Title to Beneficial Interest held by clients of Participants indirectly through such Participants will pass on transfer thereof by electronic book entry in the securities accounts maintained by such Participants for such clients. Title to Beneficial Interests held by Participants directly through the CSD will pass on transfer thereof by electronic book entry in the central securities accounts maintained by the CSD for such Participants. Beneficial Interests may be transferred only in accordance with the Applicable Procedures.

Beneficial Interests may be exchanged for Notes represented by Individual Certificates in accordance with Condition 12.1.

Records of payments, trust and voting

Neither the Issuer nor the Paying Agent will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, Beneficial Interests, or for maintaining, supervising or reviewing any records relating to Beneficial Interests. Neither the Issuer nor the Transfer Agent will be bound to record any trust in the Register or to take notice of or to accede to the execution of any trust (express, implied or constructive) to which any Registered Note may be subject. Holders of Beneficial Interests vote in accordance with the Applicable Procedures.

BESA Guarantee Fund Trust

Unlisted Notes are not regulated by the JSE. The holders of Notes that are not listed on the Interest Rate Market of the JSE will have no recourse against the JSE and/or the BESA Guarantee Fund Trust. Claims against the BESA Guarantee Fund Trust may only be made in respect of the trading of the Notes listed on the Interest Rate Market of the JSE and in accordance with the rules of the BESA Guarantee Fund Trust.

Registered Notes listed on any Relevant Stock Exchange other than (or in addition to) the Interest Rate Market of the JSE

Each Tranche of Registered Notes which is listed on any Relevant Stock Exchange other than (or in addition to) the Interest Rate Market of the JSE will be issued, cleared and settled in accordance with the rules and settlement procedures for the time being of that Relevant Stock Exchange. The settlement and redemption procedures for a Tranche of Registered Notes which is listed on any Relevant Stock Exchange (other than or in addition to the JSE) will be specified in the Applicable Pricing Supplement.

SUBSCRIPTION AND SALE

For purposes of this section of the Programme Memorandum headed "*Subscription and Sale*", the terms "*place*", "*relevant Note Subscription Agreement/Issue Confirmation*", "*Relevant Dealer*", "*relevant Dealer*" and "*relevant Tranche/s of Notes*" have the meanings ascribed to those terms in the Programme Agreement.

Dealer and placing Arrangements

A Tranche of Notes may be offered by way of public auction or private placement or any other means permitted by Applicable Law, as determined by the Issuer and the relevant Dealer/s.

In terms of (and subject to) the Programme Agreement, the Issuer has appointed each of SBSA and RMB as Arrangers of the Programme and as Dealers for the Programme (subject to the Issuer's right to terminate the appointment of any Arranger and/or any Dealer). The Issuer may, in terms of (and subject to) the Programme Agreement, appoint one or more other Dealers to place one or more Tranches of Notes or on an ongoing basis for the Programme (subject to the Issuer's right to terminate the appointment of any Dealer).

In terms of a written mandate entered into between the Issuer, RMB and SBSA on or before the Programme Date (the **Mandate**) the Issuer has appointed each of RMB and SBSA, on and as from the Effective Date (as defined in the Mandate) (the **Effective Date**), as Debt Sponsors of the Programme, on the terms and conditions of the Programme Agreement and the Mandate (subject to clause 2.4 of the Mandate). Where joint Debt Sponsors are appointed, one of the Debt Sponsors must be appointed as a lead Debt Sponsor, as contemplated in Section 2.4 of the JSE Debt Listings Requirements (**Lead Debt Sponsor**). Accordingly, in terms of the Mandate, SBSA will act as Lead Debt Sponsor of the Programme for the period commencing on the Effective Date and ending on the 1st anniversary of the Effective Date and, for each successive year following the 1st anniversary of the Effective Date, RMB and SBSA will alternate in acting as Lead Debt Sponsor of the Programme for that year.

Subject to the Programme Agreement, the Issuer may from time to time agree with the relevant Dealer/s to issue, and the relevant Dealer/s may agree to place, the relevant Tranche/s of Notes by entering into the relevant Note Subscription Agreement/Issue Confirmation.

On the Issue Date, delivery of the Notes in the relevant Tranche/s of Notes which is/are listed on the Interest Rate Market of the JSE and/or held in the CSD to the subscribers of such Notes will be effected by the Issuer's Participant, against payment of the Issue Price, in accordance with the Applicable Procedures. The relevant Dealer/s may procure sale and purchase transactions in respect of relevant Tranche/s of Notes before the Issue Date. Such transactions will be for settlement on the Issue Date and will be subject to the condition that the relevant Note Subscription Agreement/ Issue Confirmation is not terminated before the time on which such transactions are to be settled on the Issue Date. The relevant Dealer/s may, under certain circumstances (before the issue of or payment for the relevant Tranche/s of Notes) terminate their obligations to place the relevant Tranche/s of Notes under the relevant Note Subscription Agreement/Issue Confirmation. The relevant Note Subscription Agreement/Issue Confirmation may, under certain circumstances (before the issue of or payment for the relevant Tranche/s of Notes), automatically terminate. If the relevant Note Subscription Agreement/ Issue Confirmation is terminated before the Issue Date, the transactions in the relevant Tranche/s of Notes will also terminate and no party thereto shall have any claim against any other party as a result of such termination. The Issuer has no right to cancel the relevant Note Subscription Agreement/Issue Confirmation before the issue of or payment for the relevant Tranche/s of Notes.

Selling restrictions

South Africa

Each Relevant Dealer will represent and agree that, in relation to the relevant Tranche/s of Notes, it will not solicit any offers for subscription for or sale of any of such Notes, and will itself not sell any of such Notes, in South Africa, in contravention of the Companies Act, the Banks Act, the Exchange Control Regulations and/or any other Applicable Laws and regulations of South Africa in force from time to time. In particular, this Programme Memorandum does not, nor is it intended to, constitute a "*prospectus*" (as contemplated in the Companies Act) and each Relevant Dealer will represent and agree that, in relation to the relevant Tranche/s of Notes, it will not make an "*offer to the public*" (as such expression is defined in the Companies Act) of any of such Notes (whether for subscription, purchase or sale). Notes will not be offered for subscription or sale to any single addressee for an amount of less than ZAR1,000,000.

The issue of a particular Tranche of Notes may, depending on the type of Notes in that Tranche, require the prior written approval of the Exchange Control Authorities in terms of the Exchange Control Regulations (see the section of this Programme Memorandum headed "*South African Exchange Control*").

United States

Regulation S Category 2

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the **Securities Act**). The Notes may not be offered or sold in the United States of America or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S under the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Each Relevant Dealer represents and agrees (or will represent and agree) that, in relation to the relevant Tranche/s of Notes, it has not offered, sold, resold or delivered any Notes in that Tranche and will not offer, sell, resell or deliver any such Notes:

- a) as part of their distribution at any time; and
- b) otherwise until 40 (forty) days after the later of (i) the closing date of the relevant Tranche/s of Notes and (ii) the completion of the distribution of all of the Notes in the relevant Tranche/s of Notes, as determined and certified by all of the relevant Dealer/s or, in the case of an issue of the relevant Tranche/s of Notes on a syndicated basis, the relevant Lead Manager/s, of all Notes of the Series of which the relevant Tranche/s of Notes is a part,

within the United States of America or to, or for the account or benefit of, U.S. persons only in accordance with Regulation S and it will send to each dealer or distributor to which it sells any Notes in the relevant Tranche/s of Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of such Notes within the United States of America or to, or for the account or benefit of, U.S. persons to substantially the following effect:

"The Notes covered hereby have not been registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (a) as part of their distribution at any time and (b) otherwise until 40 days after the later of (i) the commencement of their offering and (ii) completion of the distribution of such Notes, as determined and certified by the relevant Dealer or, in the case of an issue of Notes on a syndicated basis, the relevant Lead Manager, except in either case (a) or (b), in accordance with Regulation S under the Securities Act. Terms used above have the meanings given to them by Regulation S."

In addition, an offer or sale of the Notes within the United States of America by any Dealer or other distributor (whether or not participating in the offering of such Notes) during the distribution compliance period described in the preceding paragraph may violate the registration requirements of the Securities Act.

Each Relevant Dealer (and in the case of the issue of the relevant Tranche/s of Notes on a syndicated basis, the relevant Lead Manager/s) shall determine and certify to the Issuer when it has completed the distribution of the Notes in the relevant Tranche/s of Notes.

Each Relevant Dealer will further represent and agree that, in relation to the relevant Tranche/s of Notes, neither it, its affiliates nor any person acting on its or their behalf has engaged or will engage in any "directed selling efforts" (as that term is defined in Regulation S under the Securities Act) with respect to the relevant Tranche/s of Notes, and it and they have complied and will comply with the offering restrictions requirements of Regulation S.

Bearer Notes

In the case of a Tranche of Bearer Notes, additional selling restrictions to ensure compliance with the U.S. Internal Revenue Code of 1986, as amended and U.S. tax regulations will be agreed by the Issuer and each Relevant Dealer and as set out in the Applicable Pricing Supplement.

European Economic Area

Each Relevant Dealer will represent and agree that, in relation to the relevant Tranche/s of Notes and each Relevant EEA State, with effect from and including the date on which the Prospectus Directive is implemented in that Relevant EEA State (the **Relevant Implementation Date**), it has not made and will not make an offer of any of such Notes to the public in that Relevant EEA State except that it may, with effect from and including the Relevant Implementation Date, make an offer of any of such Notes to the public in that Relevant EEA State:

- a) if the Applicable Pricing Supplement specifies that an offer of such Notes may be made other than pursuant to Article 3.2 of the Prospectus Directive in that Relevant EEA State (a **Non-exempt Offer**), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant EEA State or, where appropriate, approved in another Relevant EEA State and notified to the competent authority in that Relevant EEA State, provided, if applicable, that any such prospectus has subsequently been completed by the Applicable Pricing Supplement (as constituting final terms for the purposes of the prospectus) contemplated in such a Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or Applicable Pricing Supplement, as applicable and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;
- b) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- c) at any time to fewer than 100 or, if the Relevant EEA State has implemented the relevant provisions of the 2010 PD Amending Directive, 150, natural or legal persons per Relevant EEA State (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the Dealer or Dealers nominated by the Issuer for any such offer; or
- e) at any time in any other circumstances falling within Article 3.2 of the Prospectus Directive,

provided that no such offer of such Notes referred to in paragraphs (b) to (d) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an "offer of Notes to the public" in relation to any Notes in any Relevant EEA State means the communication in any form and by any means of sufficient information on the terms of the offer

and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Relevant EEA State by any measure implementing the Prospectus Directive in that Relevant EEA State, the expression "*Prospectus Directive*" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant EEA State), and includes any relevant implementing measure in each Relevant EEA State, the expression "*2010 PD Amending Directive*" means Directive 2010/73/EU and the expression "*Relevant EEA State*" means any Member State of the European Economic Area which has implemented the Prospectus Directive.

This European Economic Area selling restriction is in addition to any other selling restrictions set out in this Programme Memorandum.

United Kingdom

Each Relevant Dealer will represent and agree that, in relation to the relevant Tranche/s of Notes:

- a) in relation to any of such Notes which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any of such Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of such Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;
- b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any such Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer;
- c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any such Notes in, from or otherwise involving the United Kingdom.

For the purposes of this provision, the expression "*FSMA*" means the United Kingdom Financial Services and Markets Act, 2000.

Hong Kong

Each Relevant Dealer will represent and agree that, in relation to the relevant Tranche/s of Notes:

- a) the Notes have not been and will not be offered or sold in Hong Kong, by means of any document, other than (i) to "*professional investors*" as defined in the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) (**SFO**) and any rules made thereunder, or (ii) in other circumstances which do not result in this Programme Memorandum being a "*prospectus*" as defined in the Companies Ordinance (Cap. 32, Laws of Hong Kong) or which do not constitute an offer to the public within the meaning of that Ordinance; and
- b) no advertisement, invitation or document relating to the Notes has been or will be issued which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong); and any advertisement, invitation or document relating to the Notes will be issued only to persons outside Hong Kong or to "*professional investors*" as defined in the SFO and any rules made thereunder.

Singapore

This Programme Memorandum has not been registered as a prospectus with the Monetary Authority of Singapore, and the Notes will be offered pursuant to exemptions under the Securities and Futures Act, Chapter 289 of Singapore, as amended (the **Securities and Futures Act**). Each Relevant Dealer will represent and agree that, in relation to the relevant Tranche/s of Notes, such Notes may not be offered or sold or made the subject of an invitation for subscription or purchase nor may this Programme Memorandum or any other document or material in connection with the offer or sale or invitation for subscription or purchase of any of such Notes be circulated or distributed, whether directly or indirectly, to any person in Singapore other than (a) to an institutional investor pursuant to Section 274 of the Securities and Futures Act, (b) to a relevant person pursuant to Section 275(1) of the Securities and Futures Act or any person pursuant to Section 275(1A) of the Securities and Futures Act, and in accordance with the conditions specified in Section 275 of the Securities and Futures Act, or (c) pursuant to, and in accordance with the conditions of, any other applicable provision of the Securities and Futures Act.

Where the Notes are subscribed or purchased under Section 275 of the Securities and Futures Act by a relevant person which is:

- a) a corporation (which is not an accredited investor (as defined in Section 4A of the Securities and Futures Act)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the Securities and Futures Act) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferable for six months after that corporation or that trust has acquired the Notes under Section 275 of the Securities and Futures Act except:

1. to an institutional investor, or to a relevant person defined in Section 275(2) of the Securities and Futures Act, (in the case of a corporation) where the transfer arises from an offer referred to in Section 276(3)(i)(B) of the Securities and Futures Act or (in the case of a trust) where the transfer arises from an offer referred to in Section 276(4)(i)(B) of the Securities and Futures Act;
2. where no consideration is or will be given for the transfer;
3. where the transfer is by operation of law; or
4. pursuant to Section 276(7) of the Securities and Futures Act.

Each Relevant Dealer will further represent and agree, in relation to the relevant Tranche/s of Notes, to notify (whether through the distribution of this Programme Memorandum or any other document or material in connection with the offer or sale or invitation for subscription or purchase of any of such Notes or otherwise) each of the following relevant persons specified in Section 275 of the Securities and Futures Act which has subscribed or purchased any of such Notes from and through that Relevant Dealer, namely a person who is:

- a) a corporation (which is not an accredited investor (as defined in Section 4A of the Securities and Futures Act)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

that securities (as defined under Section 39(1) of the Securities and Futures Act) of that corporation or the beneficiaries' rights and interest (however described) in that trust shall not be transferred within 6 months after that corporation or that trust has acquired any of such Notes pursuant to an offer made under Section 275 of the Securities and Futures Act except:

1. to an institutional investor or to a relevant person defined under Section 274 of the Securities and Futures Act, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4) of the Securities and Futures Act, and in accordance with the conditions, specified in Section 275 of the Securities and Futures Act;
2. where no consideration is or will be given for the transfer;
3. where the transfer is by operation of law; or
4. as specified in section 276(7) of the Securities and Futures Act.

Australia

No prospectus or other disclosure document (as defined in the Australian Corporations Act) in relation to the Programme or any Notes has been, or will be, lodged with, or registered by the Issuer with, the Australian Securities and Investments Commission (ASIC).

Each Relevant Dealer will represent and agree that, in relation to the relevant Tranche/s of Notes and unless the Applicable Pricing Supplement (or another supplement to this Programme Memorandum) otherwise provides, it:

- a) has not offered or invited applications, and will not offer or invite applications, for the issue, sale or purchase of any of such Notes in Australia (including an offer or invitation which is received by a person in Australia); and
- b) has not distributed or published, and will not distribute or publish, this Programme Memorandum (or another supplement to this Programme Memorandum) or any other offering material or advertisement relating to any of such Notes in Australia,

unless:

1. the Notes being offered for subscription or sale to any offeree, and the Notes subsequently subscribed by or traded to any offeree, have a minimum consideration of at least A\$500,000;
2. the offer or invitation otherwise does not require disclosure to investors in accordance with Parts 6D.2 or 7.9 of the Australian Corporations Act;
3. such action complies with all Applicable Laws and regulations in Australia (including, without limitation, the licensing requirements set out in Chapter 7 of the Australian Corporations Act);
4. the offer or invitation is not made to a person who is a "retail client" for the purposes of section 761G of the Australian Corporations Act; and
5. such action does not require any document to be lodged with ASIC or any other regulatory authority in Australia.

Changes to the above selling restrictions

The selling restrictions set out above may in relation to the relevant Tranche/s of Notes, be changed by the Issuer and the relevant Dealer/s, including following a change in, or clarification of, a relevant law, regulation, directive, request or guideline having the force of law or compliance with which is in accordance with the practice of responsible financial institutions in the country or jurisdiction concerned or any change in or introduction of any of them or in their interpretation or administration. Any such change will be set out in the Applicable Pricing Supplement/s relating to the relevant Tranche/s of Notes.

Other selling restrictions

Each Relevant Dealer will represent and agree that in relation to the relevant Tranche/s of Notes:

- a) it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in each jurisdiction in which it purchases, subscribes or procures the subscription for, offers, sells or re-sells any of such Notes or has in its possession or distributes this Programme Memorandum and will obtain any consent, approval or permission required by it for the purchase, subscription, offer, sale or re-sale by it of any of such Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, subscription, offers, sales or re-sales;
- b) it will comply with such other or additional restrictions as the Issuer and the relevant Dealer/s agree and as are set out in the Applicable Pricing Supplement/s relating to the relevant Tranche/s of Notes.

Neither the Issuer nor any of the Dealers represent that Notes may at any time lawfully be subscribed for or sold in compliance with any applicable registration or other requirements in any jurisdiction or pursuant to any exemption available thereunder or assumes any responsibility for facilitating such subscription or sale.

TAXATION

The information below is intended to be a general guide to the relevant tax laws of South Africa as at the Programme Date. The contents of this section headed "Taxation" do not constitute tax advice and do not purport to describe all of the considerations that may be relevant to a prospective subscriber for or purchaser of any Notes. Prospective subscribers for or purchasers of any Notes should consult their professional advisers in this regard.

SOUTH AFRICAN TAXATION

Securities transfer tax

The issue, transfer and redemption of the Notes will not attract securities transfer tax under the Securities Transfer Tax Act, 2007, of South Africa. Any future transfer duties and/or taxes that may be introduced in respect of (or be applicable to) the transfer of Notes will be for the account of Noteholders.

Income tax

Nature of any original issue discount or premium

Any original issue at a discount to the Nominal Amount of the Notes will, in terms of section 24J of the Income Tax Act, be treated as interest for tax purposes, and the discount amount will be deemed to accrue to the Noteholder on a yield to maturity as if such Noteholder were to hold the Notes until maturity. Any original issue premium over the Nominal Amount of the Notes will also be treated as interest for tax purposes, and will be deemed to have been incurred by the Noteholder on a yield to maturity basis as if such Noteholder were to hold the Notes until maturity.

Position as at the Programme Date

A "resident" (as defined in section 1 of the Income Tax Act) (**Resident**) will, subject to any available exemptions, be taxed on its worldwide income. Accordingly, a Noteholder who is a Resident will be liable to pay income tax, subject to available exemptions, on any income received or accrued in respect of the Notes held by that Noteholder in any relevant year of assessment of that Noteholder.

A non-Resident is taxed in South Africa under the Income Tax Act only on income from a source within or deemed to be within South Africa. A non-Resident is a person who or which is not a Resident. Interest which is received or accrued in respect of the Notes during any year of assessment to any non-Resident Noteholder of such Notes will be exempt from income tax under the Income Tax Act, unless that person:

- a) is a natural person who was physically present in South Africa for a period exceeding 183 (one hundred and eighty three) calendar days in aggregate during that year of assessment; or
- b) at any time during that year of assessment carried on business through a permanent establishment in South Africa.

As regards the proposed new withholding tax on "interest" paid to non-Residents, see "Withholding tax" below.

Disposal of the Notes

Income tax is levied in relation to the disposal of any Notes by a Resident trader. Capital gains tax applies to any capital gain earned on the disposal or deemed disposal of an asset by a Resident. Capital gains tax will not be levied in relation to the disposal of any Notes by a non-Resident unless such Notes comprise assets which are attributable to a permanent establishment of that non-Resident in South Africa during the relevant year of assessment.

Withholding tax

The Notes

Position as at the Programme Date

As at the Programme Date, all payments of interest and principal made under the Notes to Noteholders will, in terms of the Income Tax Act as at the Programme Date, be made free of withholding or deduction for or on account of any Taxes.

Proposed new withholding tax

However, in terms of section 61 of the Taxation Laws Amendments Act, 2011, of South Africa, a new withholding tax (**Withholding Tax**) on "interest" as defined in section 24J of the Income Tax Act (**Interest**) will be introduced in South Africa, with effect from 1 January 2013, as Part 1A of the Income Tax Act (**Part 1A**). In terms of Part 1A, the Withholding Tax will be a final tax and will be levied at a rate of 15% in respect of Interest paid to non-residents.

In terms of the wording of Part 1A as at the Programme Date, subject to any Withholding Tax relief provided for (or to be provided for) in the case of any applicable double tax treaty and subject to certain exemptions (see below), the Withholding Tax will be applicable to, and imposed in respect of, all payments of Interest under the Notes to non-Resident Noteholders.

However, in terms of the wording of Part 1A as at the Programme Date, payments of Interest under debt securities to non-resident holders will be exempt from Withholding Tax if such debt securities are listed on the JSE.

Accordingly, payments of Interest under the Notes to non-Resident Noteholders will be exempt from Withholding Tax if such Notes are listed on the Interest Rate Market of the JSE.

The wording of Part 1A may be amended prior to the implementation of Part 1A.

The Guarantee

Position as at the Programme Date

As at the Programme Date, all payments under the Guarantee to Noteholders will, in terms of the Income Tax Act as at the Programme Date, be made free of withholding or deduction for or on account of any Taxes.

Proposed new withholding tax

However, in terms of the wording of Part 1A as at the Programme Date, Withholding Tax may, with effect from 1 January 2013, subject to any Withholding Tax relief provided for (or to be provided for) in the case of any applicable double tax treaty (such as the Agreement between the Republic of South Africa and the Government of Australia for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income), be applicable to, and imposed in respect of, any payments made by the Guarantor (following an Event of Default by the Issuer) to non-Resident Noteholders under the Guarantee to the extent that such payments are construed as being payments of Interest.

However, if payments of Interest under the Notes to non-Resident Noteholders are exempt from Withholding Tax (see "*The Notes*" – "*Proposed new withholding tax*" above), payments made under the Guarantee in respect of such Interest to such non-Resident Noteholders will also be exempt from Withholding Tax.

The wording of Part 1A may be amended prior to the implementation of Part 1A.

U.S. FOREIGN ACCOUNT TAX COMPLIANCE ACT

Withholding on payments made to the Issuer

Under Sections 1471-1474 of the U.S. Internal Revenue Code (**FATCA**), certain foreign financial institutions (such as the Issuer) will be required to provide the U.S. Internal Revenue Service with information on accounts held by U.S. persons or be subject to a 30% U.S. withholding tax on all, or a portion of, certain payments it receives. Although the final form of these rules is unknown, the Issuer expects there to be a number of significant South African and Australian legal obstacles to compliance with the FATCA reporting requirements. The Issuer also expects that compliance with any such regime will require a substantial investment in a documentation and reporting framework. In the absence of compliance with such regime, the Issuer could be exposed to a FATCA withholding tax on certain of its assets. The imposition of such a FATCA withholding tax would reduce the profitability, and thus the cash available to make payments on the Notes.

Withholding on payments made to Noteholders

Under FATCA, the Issuer or other financial institutions through which payments on the Notes are made or through which a Noteholder owns its Notes may be required to withhold amounts on the Notes if (i) there is a "non-participating" non-U.S. financial institution in the payment chain or (ii) the Noteholder does not provide certain information, which may include the name, address, taxpayer identification number and certain other information with respect to direct and certain indirect U.S. owners. Recently proposed U.S. Treasury regulations on FATCA have not provided comprehensive guidance as to the scope and mechanics of such withholding, although such proposed regulations do provide that such withholding will not be imposed prior to 1 January 2017.

The application of FATCA to interest, principal or other amounts paid with respect to the Notes is not clear. If an amount in respect of a FATCA withholding tax were to be deducted or withheld from interest, principal or other payments on the Notes as a result of a Noteholder's failure to comply with these rules or as a result of the presence in the payment chain of an entity that is not in compliance with FATCA, neither the Issuer nor any paying agent nor any other person would, pursuant to the conditions of the Notes, be required to pay additional amounts as a result of the deduction or withholding of such tax. As a result, investors may receive less interest or principal than expected. Noteholders should consult their own tax advisers on how these rules may apply to payments they receive under the Notes.

SOUTH AFRICAN EXCHANGE CONTROL

The information below is intended to be a general guide to the position under the Exchange Control Regulations as at the Programme Date. The contents of this section headed "South African Exchange Control" do not constitute exchange control advice and do not purport to describe all of the considerations that may be relevant to a prospective subscriber for or purchaser of any Notes. Prospective subscribers for or purchasers of any Notes should consult their professional advisers in this regard.

Non-South African resident Noteholders and emigrants from the Common Monetary Area

The issue of a particular Tranche of Notes may, depending on the type of Notes in that Tranche, require the prior written approval of the Exchange Control Authorities in terms of the Exchange Control Regulations. Dealings in such Notes and the performance by the Issuer of its obligations under such Notes and the applicable Terms and Conditions may be subject to the Exchange Control Regulations.

Blocked Rand

Blocked Rand may be used for the subscription for or purchase of Notes. Any amounts payable by the Issuer in respect of the Notes subscribed for or purchased with Blocked Rand may not, in terms of the Exchange Control Regulations, be remitted out of South Africa or paid into any non-South African bank account.

Emigrants from the Common Monetary Area

Any Individual Certificates issued to Noteholders who are emigrants from the Common Monetary Area will be endorsed "emigrant". Such restrictively endorsed Individual Certificates shall be deposited with an authorised foreign exchange dealer controlling such emigrant's blocked assets.

In the event that a Beneficial Interest in Notes is held by an emigrant from the Common Monetary Area through the CSD, the securities account maintained for such emigrant by the relevant Participant will be designated as an "emigrant" account.

Any payments of interest and/or principal and/or other redemption amount due to a Noteholder who is an emigrant from the Common Monetary Area will be deposited into such emigrant Noteholder's Blocked Rand account, as maintained by an authorised foreign exchange dealer. Such amounts are not freely transferable from the Common Monetary Area and may only be dealt with in terms of the Exchange Control Regulations.

Non-residents of the Common Monetary Area

Any Individual Certificates issued to Noteholders who are not resident in the Common Monetary Area will be endorsed "non-resident". In the event that a Beneficial Interest in Notes is held by a non-resident of the Common Monetary Area through the CSD, the securities account maintained for such Noteholder by the relevant Participant will be designated as a "non-resident" account.

It will be incumbent on any such non-resident Noteholder to instruct the non-resident's nominated or authorised dealer in foreign exchange as to how any funds due to such non-resident in respect of Notes are to be dealt with. Such funds may, in terms of the Exchange Control Regulations, be remitted abroad only if the relevant Notes are acquired with foreign currency introduced into South Africa and provided that the relevant Individual Certificate has been endorsed "non-resident" or the relevant securities account has been designated as a "non-resident" account, as the case may be.

Bearer Notes

The disposal or acquisition of or dealing in Bearer Notes is subject to the prior written approval of the Minister of Finance (or a person authorised by the Minister of Finance) in accordance with Regulation 15 of the Exchange Control Regulations.

Order Notes

Any Order Certificates issued to Noteholders who are emigrants from the Common Monetary Area will be endorsed in accordance with the applicable provisions of the Exchange Control Regulations. Any Order Notes (and Order Certificates) issued to Noteholders who are emigrants from the Common Monetary Area will be subject to the applicable provisions of the Exchange Control Regulations.

Any Order Certificates issued to Noteholders who are not resident in the Common Monetary Area will be endorsed in accordance with the applicable provisions of the Exchange Control Regulations. Any Order Notes (and Order Certificates) issued to Noteholders who are not resident in the Common Monetary Area will be subject to the applicable provisions of the Exchange Control Regulations.

GENERAL INFORMATION

Authorisation

All corporate authorities, and all consents, approvals, authorisations or other orders of all regulatory authorities required by the Issuer under the laws of South Africa as at the Programme Date have been given for the establishment of the Programme and the execution of this Programme Memorandum.

All corporate authorities, and all consents, approvals, authorisations or other orders of all regulatory authorities (if any) required by the Guarantor under the laws of the Commonwealth of Australia as at the Programme Date have been given for the Guarantor to execute and enter into the Guarantee and to perform its obligations under the Guarantee. No corporate authorities, consents, approvals, authorisations or other orders of any regulatory authorities are required by the Guarantor under the laws of South Africa as at the Programme Date for the Guarantor to execute and enter into the Guarantee and to perform its obligations under the Guarantee.

Listing

The Previous Programme Memorandum was approved by the JSE on 7 October 2010. This Programme Memorandum was approved by the JSE on 16 May 2012. Registered Notes to be issued under the Programme may be listed on the Interest Rate Market of the JSE or on such other or further Relevant Stock Exchange as may be determined by the Issuer and the Dealer(s) (if any), subject to all Applicable Laws. Unlisted Notes may also be issued under the Programme. Unlisted Notes are not regulated by the JSE. The Applicable Pricing Supplement will specify whether or not a Tranche of Notes will be listed and, if so, on which Relevant Stock Exchange.

Commercial Paper Regulations

See Annexure "A" to the *pro forma* Applicable Pricing Supplement set out in the section of this Programme Memorandum headed "*Pro Forma Applicable Pricing Supplement*".

Material change

After due and careful enquiry, the Issuer hereby confirms that as at the Programme Date, there has been no material change in the financial or trading condition of the Issuer since the date of the Issuer's latest audited financial statements save as disclosed in the section of this Programme Memorandum headed "*Description of the Issuer*" under the sub-heading "*Recent developments*". This statement has not been confirmed nor verified by the auditors of the Issuer.

SIGNED at Cape Town on this the 17 day of May 2012

For: **MACQUARIE SECURITIES SOUTH AFRICA (PROPRIETARY) LIMITED**

By: 

Name: GRAHAM CRAWFORD
Capacity: *Director, duly authorised*

By: 

Name: CLIVE ELLIOTT
Capacity: *Director, duly authorised*

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